How Former Students Financed Their College, University College, and Institute Programs

Special Report on
Student Finances from the
2001 BC College and Institute
Student Outcomes Survey

BRITISH COLUMBIA
Ministry of Advanced Education

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Outcomes Working Group

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Highlights

Introduction

This report on student finances—commissioned by the BC Outcomes Working Group—draws on the results of the 2001 BC College and Institute Student Outcomes Survey, which was conducted in the spring of 2001. Over 9,200 former students from BC's public colleges, university colleges, and institutes were asked about their sources of financial support while studying and about any debt they incurred.

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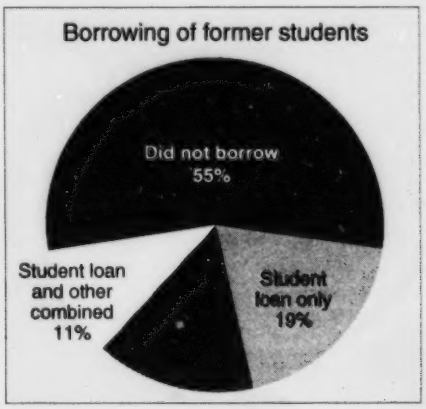

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Loans from other sources were reported by 26 percent of respondents. These sources included loans from family and friends, credit cards, and personal bank loans. Younger respondents (22 and under) relied most on loans from family and friends.

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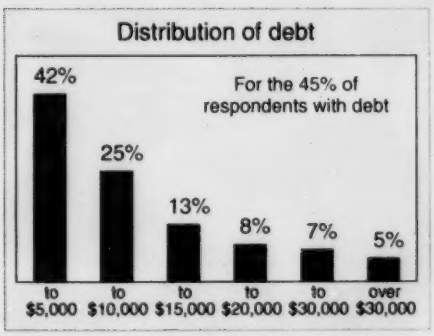

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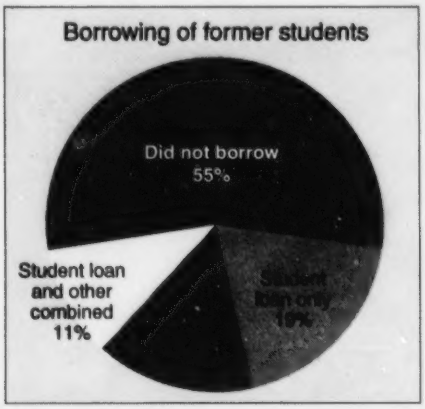

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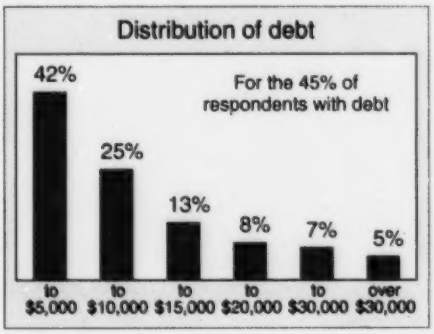

Older respondents had higher debt: those 23 and over owed a median amount of $8,500. Employment while studying reduced the median debt to $5,000, although only for those respondents who worked over 15 hours per week.

For those who borrowed, length of program had a considerable effect on debt levels. Former students from programs lasting one year or less incurred a median debt of $5,000, while respondents from 3- and 4-year programs had a median debt of $15,000.

For the 30 percent of former students who had a government loan, the reported median student loan debt was $8,350. Single parents, who depended largely on student loans, had a median student loan of $12,000. For the 26 percent of respondents with debt other than government student loans, the median amount owed was $3,000. While only 11 percent of former students surveyed had both a student loan *and* loans from other sources, their median debt was $13,000.

What costs are driving student debt?

Former students with higher living costs tended to have higher debt. Respondents who moved from their home communities to study had a median combined debt of $9,000. On the other hand, former students who said that free or subsidized room and board was a "very" or "somewhat important" source of financial support owed a median amount of only $5,000. Former students with children (22 percent of all respondents) had substantially higher debt than those without children—$10,000 versus $6,050.

Did some groups of former students face particular financial challenges?

Respondents who identified themselves as having a physical or mental condition that limited the kind of activity they could do had a median debt of $9,000, which was significantly higher than that of non-disabled respondents ($7,000). Former students who had been on income assistance prior to studying also had higher debt: a median of $8,400.

On the other hand, respondents who learned English as their second language had a lower median debt than other respondents: $6,000 for those with debt from all sources. These former students had more family support than others.

The debt burden for Aboriginal former students was not significantly different than that of other respondents.

Percentage of all respondents	
With a condition that limits activity	5%
Who learned English as their second language	16%
Of Aboriginal descent	4%
Previously on income assistance	11%

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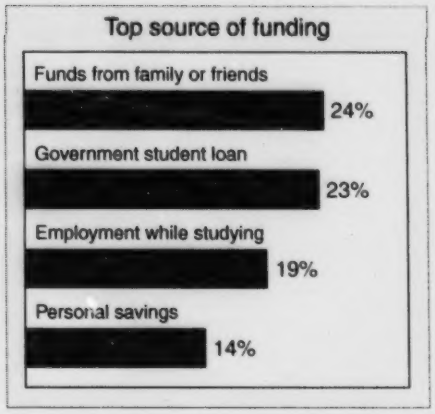
Financial support

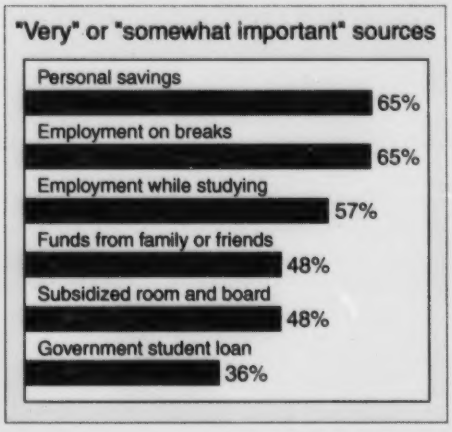
What were the major sources of financial support for former students?

Direct financial support from family and friends was the top source of education funding for 24 percent of former students. Another 23 percent said that a government student loan was their top source; this was followed by employment while studying and personal savings. Former students 22 and younger were more likely to report that support from family and friends was their top source and less likely to report having had a government student loan.



A student loan was the top source of funding for 43 percent of single parents, who were much less likely to rely on financial support from family and friends. Former students who reported that family support was a top source of education funding were less likely to be employed while they studied. Overall, 50 percent of respondents worked during their studies—69 percent of these employed respondents worked over 15 hours per week.

A majority (65 percent) of former students reported that employment during breaks provided an important source of funds; 65 percent also said that personal savings were "very" or "somewhat important." Thirty-six percent of respondents said government loans were "very" or "somewhat important," and 30 percent said the same about student grants. Thirty-five percent of respondents applied for some type of government student financial assistance—of those who received a loan or grant, the majority received both.



Did financial difficulties have an impact on enrolment patterns?

Eleven percent of former students surveyed had to interrupt their studies and 15 percent said that they attended part-time for financial reasons. The rate of enrolment disruptions for single parents was greater than that of all other respondents. Twenty-nine percent of single parents either interrupted their studies or attended

part-time because of their financial situations, compared with 19 percent of other respondents.

Over half (51 percent) of former students who attended part-time or interrupted their studies took out loans—government student loans, other loans, or both—to fund their studies, compared with 44 percent of respondents whose studies were not disrupted.

Why do some former students have difficulty repaying their loans?

At the time of the survey, 61 percent of those who received a government student loan had begun repaying it. Of those respondents, 29 percent said they had experienced difficulty making their loan payments. While 46 percent of the former students who applied for student financial assistance believed that they had received helpful information about the repayment or debt management of their government student loan, only 39 percent of respondents who experienced repayment difficulties said the same.

A number of former students said that the financial assistance program could be improved by providing more or better information to help with repaying their loans and managing their debt.

Suggestion from a former student

"There should be more information on the debt load and what income you need to repay your loan and how to budget for it because the weight of the debt does not hit you until after you graduate."

Conclusion

For individual students, an affordable post-secondary education depends on the relationship between all costs incurred and available financial support. One measurement of affordability is accumulated debt. For over half of the former students surveyed in 2001, attending college, university college, or an institute did not mean accumulating debt. The majority of former students who borrowed left their studies with debt burdens that were $10,000 or less. For those who owed more than $10,000 after completing their programs—14 percent of former students surveyed—affordability may have been an issue, particularly for single parents, respondents with disabilities, and those previously on income assistance.

Introduction

Report objectives

The BC Outcomes Working Group (OWG) has commissioned this special report to examine former college, university college, and institute students' sources of education financing and accumulated debt. The issues of student indebtedness and the cost of education are widely debated; this report presents survey findings that address those issues and is intended to provide useful information for institutional administrators, government officials, and prospective students.

Background

This is the second time the BC Outcomes Working Group (OWG) has commissioned a special report on student finances. Using data from the 1999 BC College and Institute Student Outcomes Survey, the first report looked at important sources of education funding for students, examined student loan debt, and explored the impacts of some of the costs associated with pursuing a post-secondary education.

That report was a first step toward understanding how former college, university college, and institute students financed their post-secondary programs. Further, it recommended that additional information be collected from former students, particularly on sources of funding, non-governmental loans, and repayment efforts. Recognizing the importance of collecting student financial information on an ongoing basis, the OWG directed revisions to the series of survey questions that dealt with finances, added them to the 2001 survey, and will consider their inclusion in upcoming surveys.

This report uses results from the 2001 outcomes survey to investigate many of the same issues presented in the earlier report. However, because of the changes made to the questionnaire, a more comprehensive look at student debt and student financial support is possible.

Data for this report

The data for this report were drawn from the BC College and Institute Student Outcomes Survey conducted in the spring of 2001.[1] All of BC's 22 public colleges, university colleges, and institutes participated in this survey, and 30,457 former students from all programs except college preparatory programs, such as Adult Basic Education, were targeted for contact. Sixty-one percent or 18,567 of these former students responded to the survey. They were interviewed by telephone 9–20 months after completing all, or a significant portion, of their educational program.

[1] Please see Appendix A for a description of the BC College and Institute Student Outcomes Survey Project and see Appendix B for a description of the methods used in the analysis for this report.

The 2001 survey contained two special sections. Half of the former students surveyed, selected randomly, were asked questions about their sources of income while studying and any debt they incurred. The other respondents were asked about campus services. There were 9,252 former students who answered the finance questions—the findings that follow are from analyses of these respondents only.

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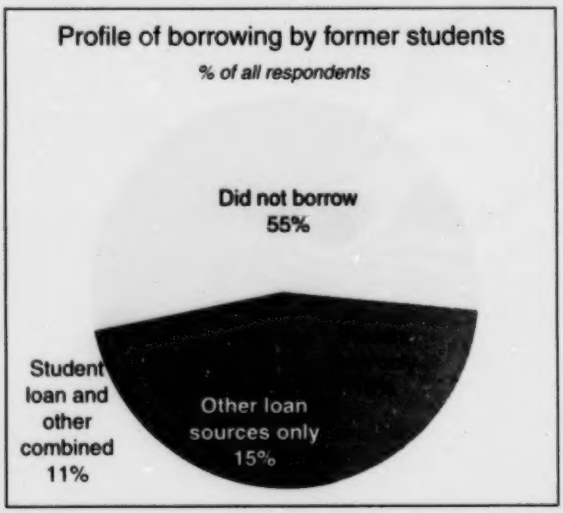
Student Debt

How many former students borrowed to finance their education?

Less than half of respondents borrowed for their education, from government or other sources

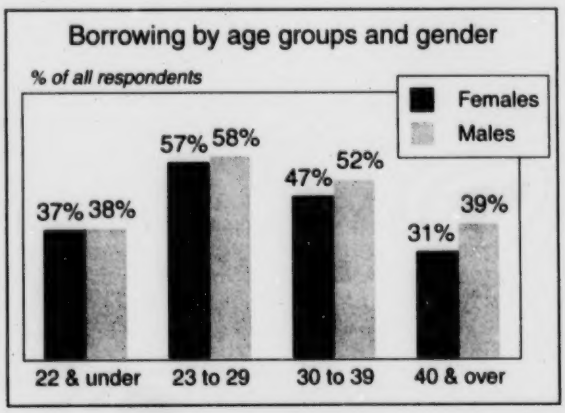
Of the former students surveyed in 2001, 45 percent reported borrowing money while in their college, university college, or institute programs. The source of that borrowed money was primarily government student loans—30 percent of respondents received a student loan—although 26 percent borrowed from other sources: family and friends, credit cards, or banks.



When former students who borrowed were placed into mutually exclusive categories—government student loan only, other or non-governmental loans only, and student loan and other loans combined—11 percent of respondents had both a student loan and a loan from other sources.

Males and older former students were more apt to borrow

Overall, males were more likely than females to borrow to fund their education: 48 percent had loans (student loan, other, or both) compared with 44 percent of females. Forty-five percent of the former students surveyed in 2001 were male; their median age was 25. The median age for females was 26.



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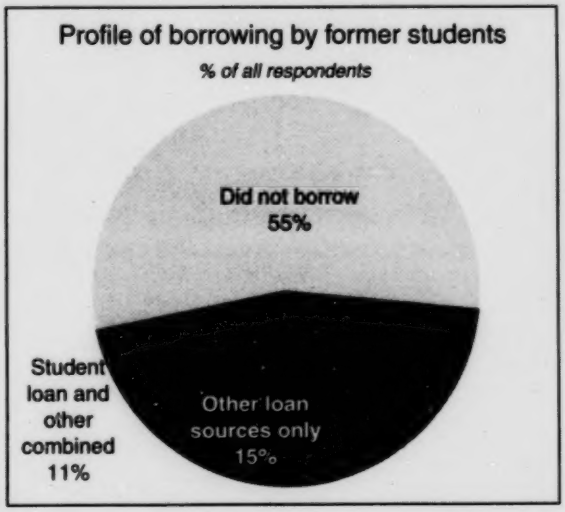

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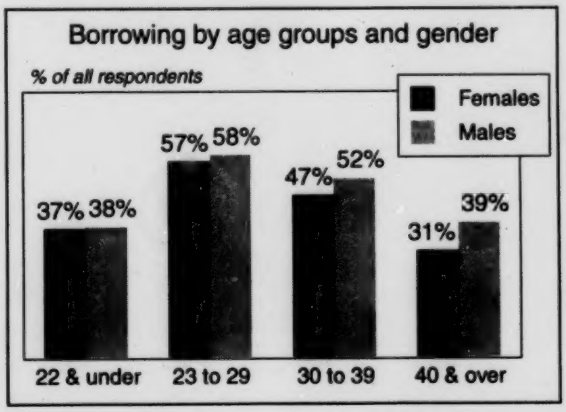


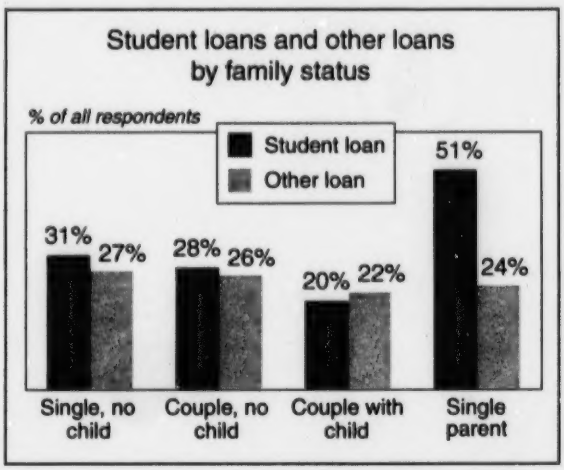
Older respondents, whether male or female, were more likely to borrow: 50 percent of former students 23 and over borrowed money compared with 37 percent of those 22 and under. Those in the age group 23 to 29 had the highest rate of borrowing (57 percent).

Some groups of former students were more likely to borrow

Former students who had been on income assistance prior to studying were significantly more likely to borrow (from all sources) than other respondents: 64 percent versus 43 percent. Respondents who had relocated to study reported a high rate of borrowing as well: 61 percent. Single parents were also in this category, since 60 percent said they borrowed to fund their education.

Over half of single parents surveyed had a government student loan

Of the former students surveyed, the majority (64 percent) were single with no children, 14 percent were part of a couple without children, 16 percent were part of a couple with children, and 7 percent were single parents. Over half (51 percent) of the single parents surveyed reported having a government student loan. Single parents seemed to rely more heavily on government-sponsored loans than did other former students.



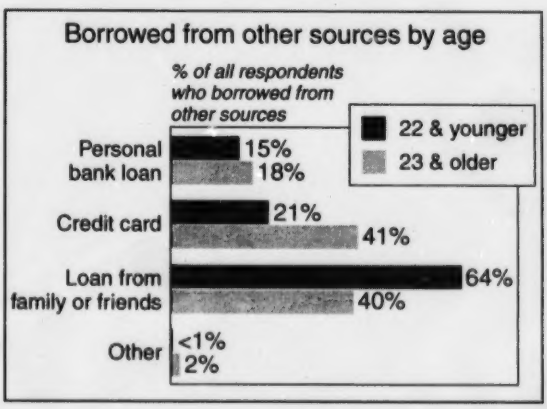
Former students 22 and younger were less likely to have student loans

The majority of the former students surveyed were under age 30: 30 percent were 22 or younger, 37 percent were 23 to 29. A further 18 percent were 30 to 39, and 15 percent were 40 or older.

While males and females took out government student loans at approximately the same rate, older respondents were more likely to borrow from government. Less than one-quarter (21 percent) of respondents who were 22 and younger had a student loan, compared with 36 percent of those who were 23 and older at the time of the survey. Once again, former students aged 23 to 29 had the highest rate of borrowing: 42 percent had a government student loan.

Other sources of borrowing included loans from family or friends, personal bank loans, and credit cards

Of former students who borrowed from other (non-governmental) sources, single parents were much more likely than others to use credit cards (53 versus 35 percent) and less likely to report receiving loans from family or friends (29 percent compared with 47 percent for other respondents).



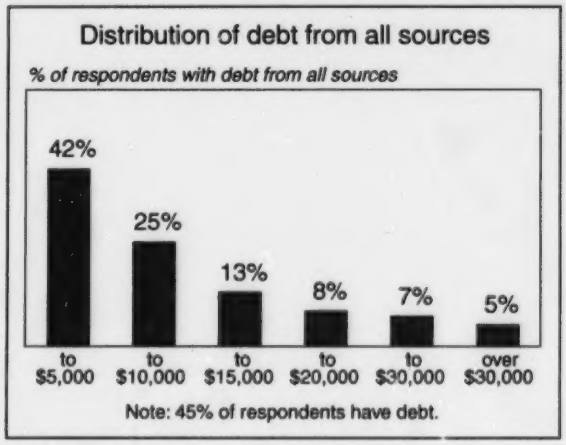
While credit cards were used for education funding by 36 percent of those who borrowed from a non-governmental source, loans from family or friends were reported more often, particularly by younger respondents.

How much did former students borrow?

The majority of respondents with debt owed $10,000 or less

For the 45 percent of former students surveyed who borrowed to finance their education, the average total amount of debt from all sources was $10,290[2] (the median was $7,000).

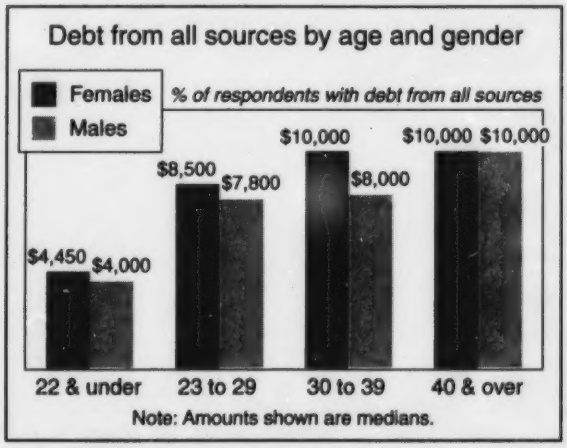
Two-thirds of respondents with debt owed amounts of $10,000 or less.[3]



Females and older students owed more

Females who had debt owed more than males, even though male respondents were more likely to borrow (see page 11). Female former students were older: 72 percent were over 22, compared with 68 percent of males. As well, female respondents were more likely to be parents: 26 percent of females had children versus 16 percent of males.

Older students had higher debt, with those aged 22 and under owing, on average, less than half of those 23 and over—a median amount of $4,000, versus a median of $8,500. (See Appendix C for tables that include debt amounts by demographic groups.)



[2] Mean and median amounts are rounded to the nearest $10.

[3] Debt amounts reported in the Student Debt sections are based on former students who have debt, not on all the respondents who answered the finance questions.

Employment while studying reduced debt

Former students who were employed while studying were less likely to borrow (43 percent) and those who did had significantly less debt when they left their programs: a median of $6,000, versus $8,000 for those who were not employed. The number of hours worked per week made a difference, however. Respondents who worked over 15 hours per week—69 percent of those employed—had a median debt of only $5,000, while those who worked 15 hours or less owed as much as those who were not employed ($8,000).

The debt levels of former students who had taken the co-operative education option with their programs of study were not significantly different than others; however, co-op students were more likely to borrow to finance their studies—53 percent, compared with 45 percent of non-co-op respondents.

Debt load differed by program area

The lowest amounts of debt were carried by former students who left the program areas of Construction and Precision Production; Mechanical and Related; and Recreation, Tourism, Hospitality, and Service. The median debt for respondents from these three areas ranged from $4,700 to $6,000.[4] These were shorter programs, however, and the majority of respondents who were in these programs were enrolled for terms of 3–12 months.

The highest median debt levels—from $10,000 to $11,000—were for the program areas of Agriculture, Natural Resources and Science Technologies; Education and Library Science; and Computer and Information Services. The majority of respondents from these areas were enrolled in programs that were 13–36 months long or at the 3- and 4-year level.

Length of program had a major effect on debt

Length of program on its own had a significant effect on debt levels. Former students from programs lasting 12 months or less incurred a median debt of $5,000, while respondents from 3- and 4-year programs had a median debt of $15,000.

Former Arts and Sciences students who had been in 1- and 2-year programs incurred a median debt of $5,000. In contrast, respondents from Arts and Sciences 3- and 4-year programs had a debt load of $12,000.[5]

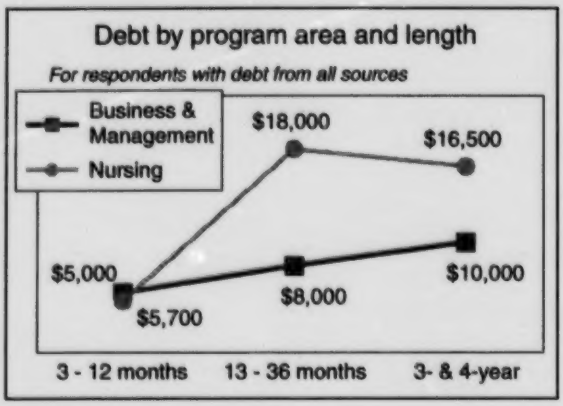
Longer enrolment meant higher debt regardless of program

The results are similar for other program areas: Business and Management and Nursing programs, for example. Respondents who left shorter (one year or less) Business and Management programs had a median debt of $5,700. Respondents

[4] See Appendix C for tables that show debt by program area.

[5] As well as offering 3- and 4-year programs, Arts and Sciences offers 1- and 2-year programs, which are first and second year university transfer courses or 2-year associate degrees.

from Nursing programs of that length owed $5,000. Longer programs—three and four years—meant significantly higher debt, for nurses in particular.

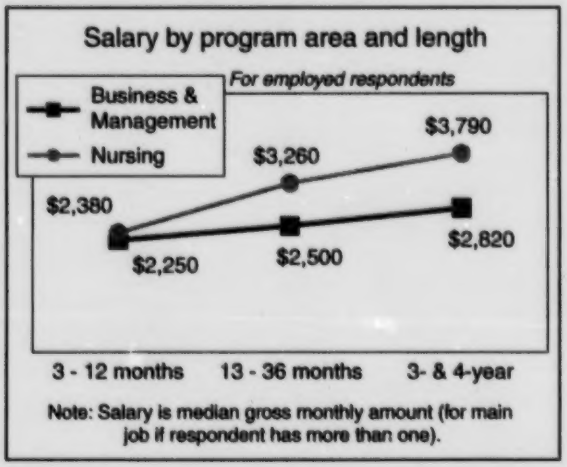


Employment income at the time of the survey was related to program area and length

For all former students employed at the time of the survey (77 percent of respondents), the median gross monthly salary was $2,250.[6] The median salaries for respondents who left the program areas of Agriculture, Natural Resources and Science Technologies; Education and Library Science; and Computer and Information Services (the programs with the highest debt levels) were higher than the overall median, ranging from $2,330 to $3,330.

Former students with the lowest median salary—$1,320 for those from Arts and Sciences programs—did not have the lowest debt. However, like debt, salary was dependent on length of program; that is, former Arts and Sciences students who left 3- and 4-year programs had significantly higher monthly salaries than those who had been in 1- and 2-year programs: $2,000 versus $1,250. Respondents from 1- and 2-year Arts and Sciences programs were the least likely to be employed full-time and the most likely to take further education: 70 percent were studying at the time of the survey.

Salary was higher for respondents from longer programs

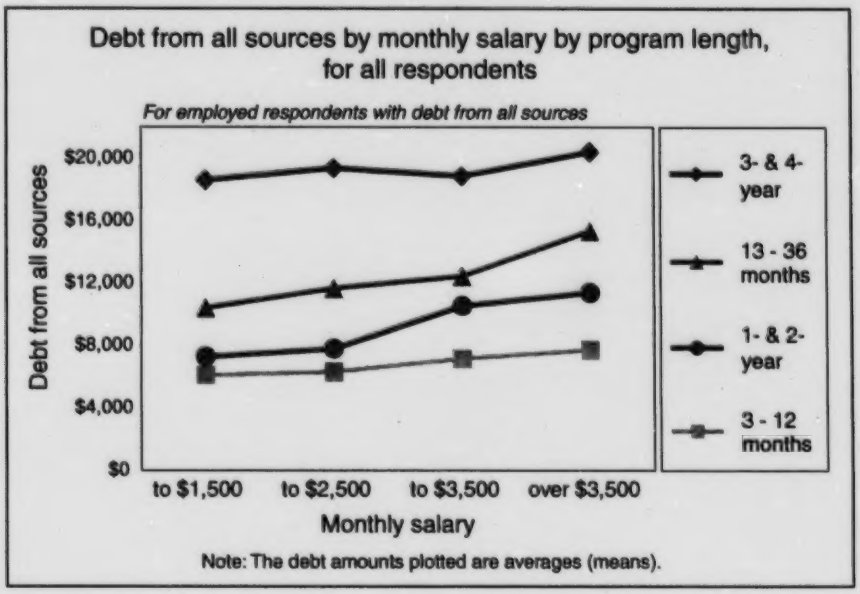


Respondents from Business and Management programs and those from Nursing programs had median salaries that were higher than the overall average: $2,500 and $2,780 respectively. As with debt, there were significant differences by length of program.

[6] Salary amounts reported are for respondents' main job, if they had more than one. Appendix C includes a table showing salary by program area.

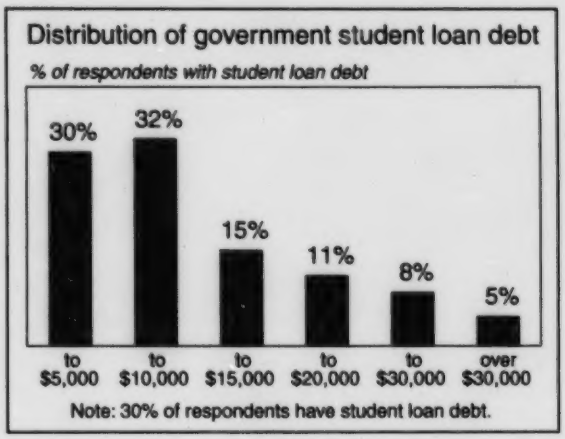
There was a slight relationship between debt and salary

There was a slight tendency for respondents with higher amounts of debt to have higher monthly salaries. The relationship exists for each program length, although the debt amounts for longer programs are higher.



Over 60 percent of respondents with government student loans owed $10,000 or less

For the 30 percent of former students with government student loan debt, the reported average amount owing was $11,320 (the median was $8,350)—62 percent of respondents with a student loan owed $10,000 or less.



Some former students relied more on student loans than others

Former students who had been on income assistance prior to studying relied heavily on government student loans and had significantly more student loan debt than others. Their median debt was $9,000 compared with $8,000 for other respondents.

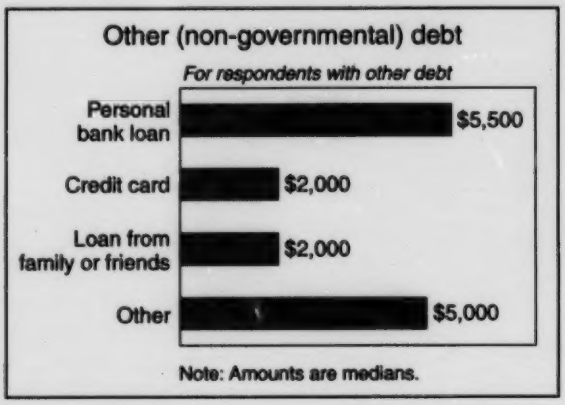
Single parents, who also depended largely on government student loans, had a median student loan debt of $12,000. Some members of this group are carrying

very heavy government debt loads: 14 percent of single parents with student loan debt owed more than $30,000, versus 3 percent of other respondents.

The level of other debt varied according to source

Of the 26 percent of respondents with debt other than government student loans, 91 percent owed $10,000 or less. The average amount reported was $4,770, and the median was $3,000.

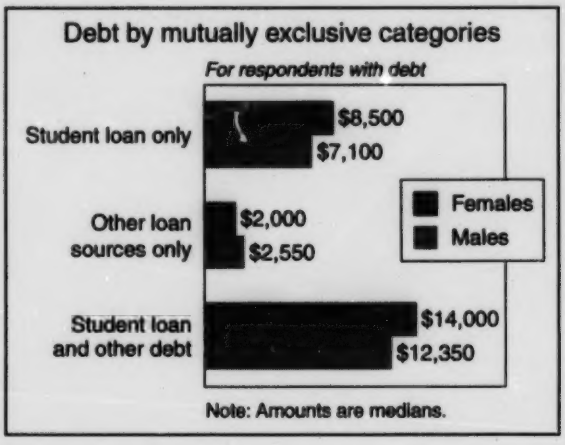
Although loans from family and friends were reported more frequently than other sources of borrowed funds (see page 13), the average amount of a personal bank loan was significantly higher: the median bank loan was $5,500 versus $2,000 for a family loan.



Younger students, once again, had less debt: respondents 22 and under owed a median of $2,000. Former students over 40 who borrowed from non-governmental sources owed a median of $5,000.

Respondents who had both a student loan and other debt owe more

For former students who had both a student loan and a loan from other sources (11 percent), the average debt was considerably higher: $16,410 (the median was $13,000). For females in this category, the median debt was $14,000.



What costs are driving student debt?

Former students with higher living costs had more debt

Respondents who relocated or moved from their home communities to study, those who did not have subsidized room and board, and single parents borrowed more often and had greater debt burdens than other former students.

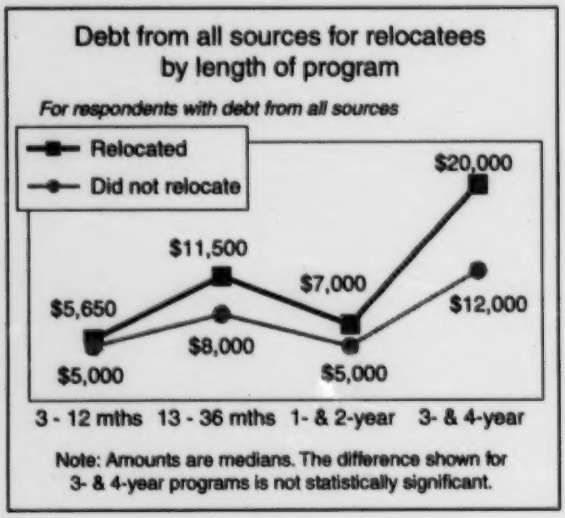
Former students who relocated to study owed more

Not only were former students who moved to study more likely to borrow (61 percent from all sources), those who had debt had a median amount of $9,000, compared with $6,000 for those who did not relocate. Not surprisingly, respondents who relocated were less likely to say that subsidized room and board had been an important source of financial support while they were studying. Thirty-six percent of those who relocated said room and board was "somewhat" or "very important," compared with 51 percent of those who did not move to study.

Those who relocated were more likely to have attended longer programs

Of those who relocated to study, 35 percent were from 13–36 month programs—in comparison, 26 percent of those who did not relocate were from that program type. Relocatees attended 3- and 4-year programs at a higher rate as well: 11 versus 7 percent.

Regardless of program length, relocatees with debt owed more.



Respondents who were 23 to 29 were more likely to relocate and owed more

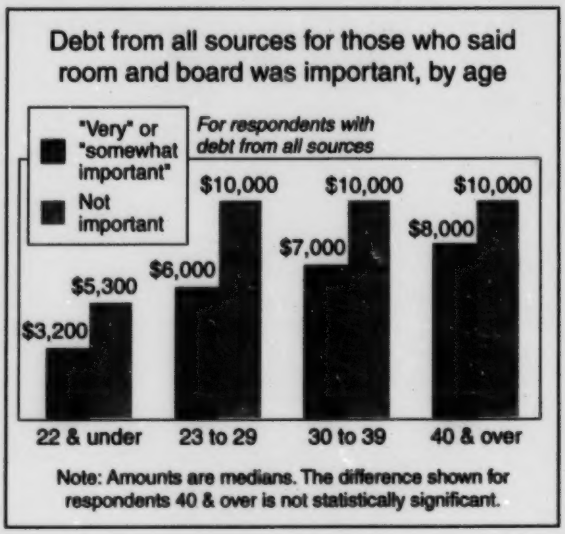
Twenty-six percent of former students who were in the 23 to 29 age group when surveyed relocated to attend their program of study—compared with 18 percent of respondents in all other age groups. Relocatees who were 23 to 29 had debt from all sources averaging $10,550 versus $7,000 for those who did not move to study.

Former students who said room and board was important had less debt

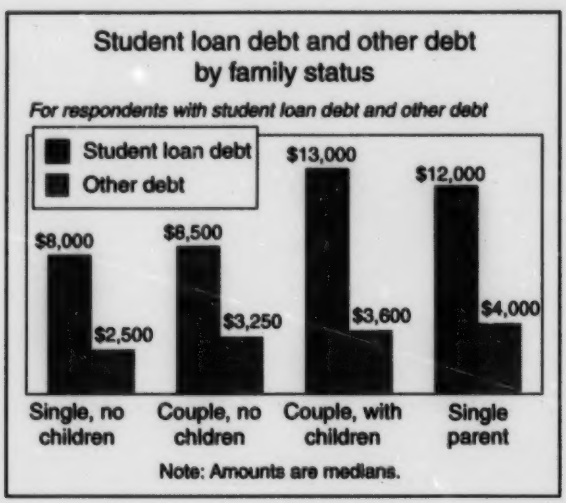
Although not many respondents stated room and board was a *top* source of funding for their studies, 48 percent said that free or subsidized room and board was a "very" or "somewhat important" source of financial support. These former students—who borrowed at a rate of 42 percent—did not incur the same levels of debt: a median of $5,000 for debt from all sources, compared with $9,000 for other students.

Room and board was an important source of financial support for younger respondents

Former students who said subsidized room and board was important to them were less likely to have relocated to study: 16 versus 25 percent of other respondents. They were also younger; in fact, most were under 30. Forty-four percent were 22 and under, and 40 percent were 23 to 29. For all age groups, respondents who said room and board was important incurred less debt.



Former students with children had higher levels of debt



Parents, whether part of a couple or not, had substantially higher debt than respondents without children. The median student loan debt for parents who had debt was $12,000, versus $8,000 for other respondents. Both student loan debt and other debt were greater for former students with children.

Fewer respondents who were part of a couple with children had student loans

Former students who were part of a couple with children were the least likely to have a student loan (see page 12); however, those that did had the highest median student loan debt—$13,000—compared with respondents in other family situations.

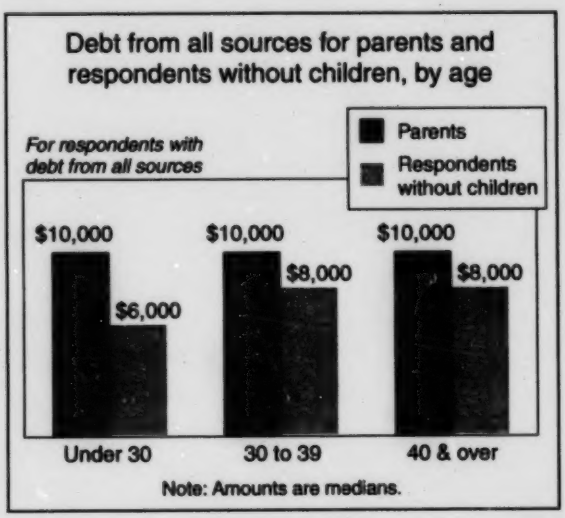
Respondents who were part of a couple with children were more likely than single parents to have more than one child: 63 percent, versus 47 percent of single parents.

Combined debt levels were highest for single parents

Single parents with student loans owed a median amount of $12,000. However, for the 15 percent of single parents who had combined debt, that is, debt from student loans *and* other sources, the median amount owed was much higher at $15,850.

Parents had higher debt regardless of age

Respondents who were parents were older than the average student. While the median age for all former students surveyed was 25, single parents were 37 and parents who were part of a couple, were 40. While older students generally carried higher levels of debt—possibly because younger students have more family support—former students who were parents had more debt regardless of age.



Did some groups of former students face particular financial challenges?

Former students with disabilities had more debt

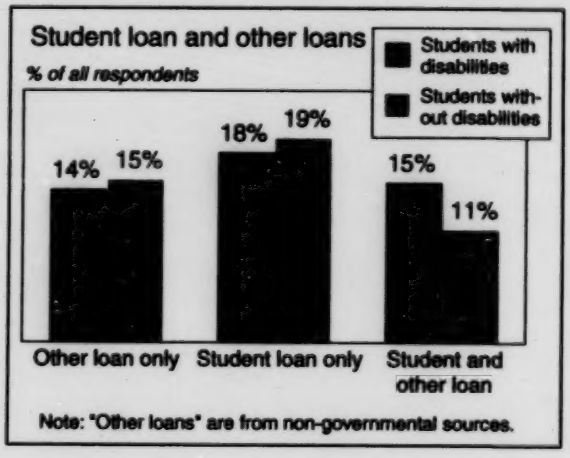
Former students who identified themselves as having a physical or mental condition that limited the kind of activity they could do comprised just over 5 percent of respondents. The 47 percent of these former students who had debt from any source owed a median of $9,000, while the median for other respondents with debt was $7,000.

Respondents with disabilities were more likely to be female and older

That former students with disabilities had higher debt loads is not surprising based on demographics alone: they were more likely to be female and to be older, and these characteristics are associated with higher debt levels (see page 14). Their median age was 31, compared with a median of 25 for all other respondents, and 65 percent were female. They were also more likely to have children: 35 percent were parents, versus 22 percent of other respondents.

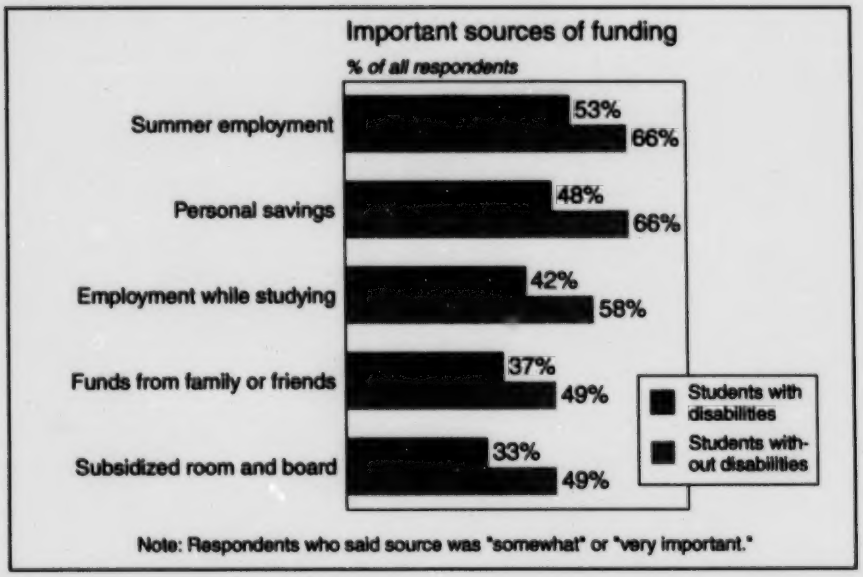
They were more likely to have combined debt

Former students with disabilities reported having combined debt—that is, student loans *and* loans from other sources—more often than other students.



These respondents had fewer sources of funding while studying

Former students with disabilities seemed to rely less on employment income. They were not as likely to have been employed while studying (36 percent compared with 51 percent of other respondents) and less likely to say employment was a top source of funding (36 percent versus 46 percent). Further, fewer respondents with disabilities rated direct financial support from family, subsidized room and board, and personal savings as "very" or "somewhat important" sources of financial support.



Respondents with disabilities relied more on government assistance

On the other hand, former students with disabilities were considerably more likely to have received income assistance prior to studying, and they depended more on different kinds of government funding throughout their studies. For example, 36 percent of students with disabilities deemed student grants important—barely 30 percent of other respondents said the same. Of those who applied for student financial assistance, 72 percent of respondents with disabilities received grants, compared with 61 percent of other respondents. Former students with disabilities who applied for aid were also more likely to receive special government assistance: 16 percent, versus 3 percent of non-disabled respondents.

Aboriginal former students were more likely to be parents

Former students who identified themselves as Aboriginal—4 percent of respondents—had a median age of 30 and were more likely to be female (66 versus 55 percent of other respondents). They were much more likely to be single parents (21 percent compared with 6 percent), and 12 percent reported a physical or mental condition that limited their ability to work or study—a rate of reported disability that is much higher than the overall rate of 5 percent.

Aboriginal respondents were less likely to be employed during their studies

Aboriginal former students were less likely to cite employment as a major source of financial support: 34 percent reported they were employed while studying, compared with 51 percent of other respondents. Less than one-third (31 percent) of Aboriginal respondents said employment, either while studying or during breaks, was their top source of education funding, versus 46 percent of other respondents.

As well, Aboriginal former students were not as likely to report that employment was important: 58 percent said that employment during breaks was "somewhat" or "very important," compared with 66 percent of non-Aboriginal respondents. The difference for employment while studying was even greater: 42 versus 58 percent.

Family support was less available to Aboriginal respondents

Only 8 percent of Aboriginal respondents said that non-repayable financial support from family or friends was their top source of education funding; it was the top source for 24 percent of other respondents. Thirty percent said that subsidized room and board was a "somewhat" or "very important" source of support, compared with 49 percent of other respondents.

Government funding offset debt for Aboriginal former students

Government funding other than loans and grants was considered important by 32 percent of Aboriginal former students, compared with 15 percent of other students. Furthermore, 29 percent of Aboriginal respondents said band funding was their primary source of financial support; it was the secondary source for another 6 percent.

In spite of a demographic and education funding profile that suggests their debt loads would be higher, Aboriginal former students did not report significantly higher levels of debt than did respondents overall.

Former students who learned English as their second language had less debt

Respondents who learned English as their second language made up 16 percent of the former students surveyed. This group of students had less debt, on average, than other respondents, although they borrowed at about the same rate. The median debt load reported was $6,000. For those who had government student loan debt, the median owing was $8,000.

These former students were less likely to incur non-governmental debt

While their level of other debt was not significantly different than that of former students overall, respondents who learned English as their second language were less likely to incur other debt (25 versus 27 percent).

Respondents who learned English rely more on family support

Even though these students are older—their median age is 27—they were much more likely to say that family support was an important source of education funding. And when they did have non-governmental debt, it was more likely to consist of a loan from family: 59 percent, versus 43 percent for other respondents.

M121

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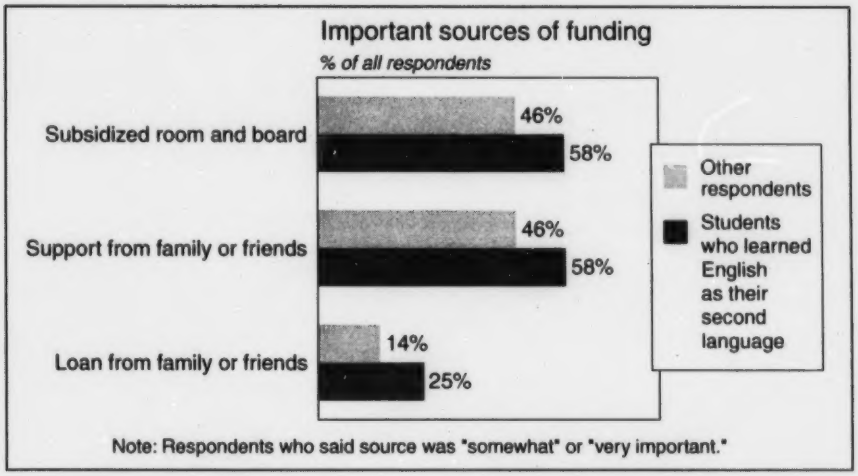
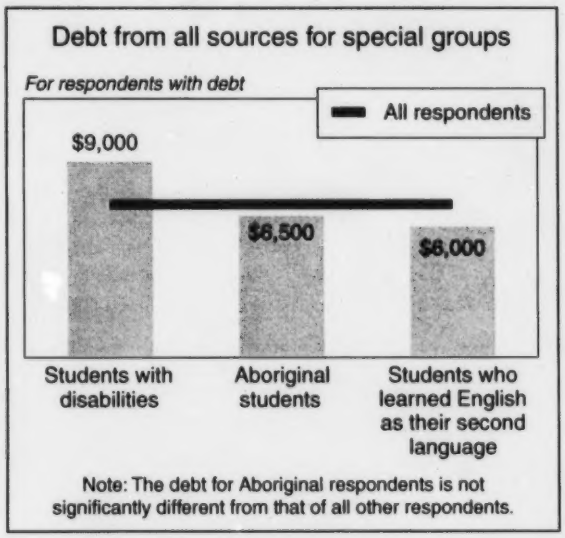
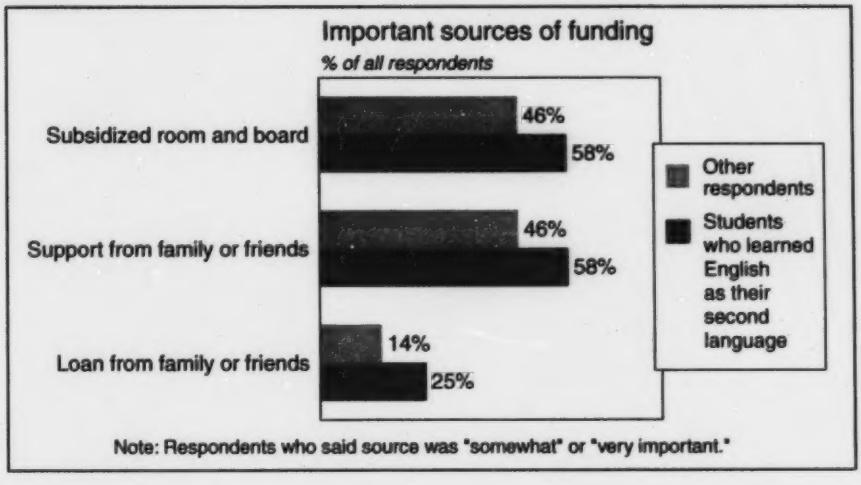


The debt loads of these groups of former students differ

Former students who learned English as their second language, Aboriginal former students, and former students with disabilities are groups of students that face particular challenges when accessing post-secondary education—language, physical, or financial barriers, for example. While it seemed likely that, because of these challenges and because of their demographic profiles, they would incur more debt than the average student, in two out of the three cases, family support or additional government funding have mitigated the potential debt burdens.


Debt from all sources for special groups
For respondents with debt
All respondents
$9,000
$6,500
$6,000
Students with disabilities
Aboriginal students
Students who learned English as their second language
Note: The debt for Aboriginal respondents is not significantly different from that of all other respondents.



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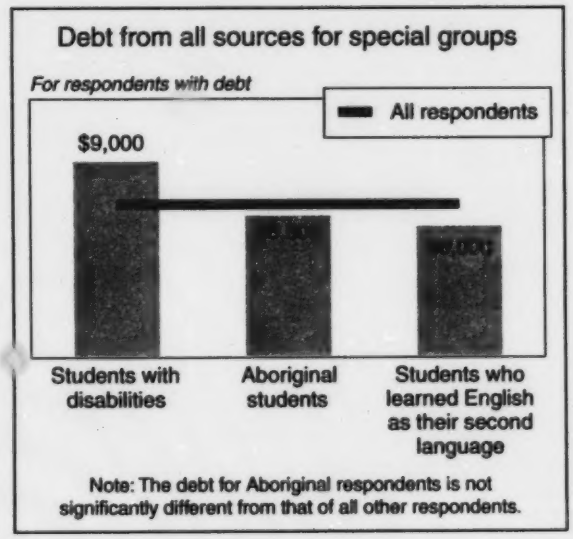
Debt from all sources for special groups
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$9,000
Students with disabilities
Aboriginal students
Students who learned English as their second language
Note: The debt for Aboriginal respondents is not significantly different from that of all other respondents.

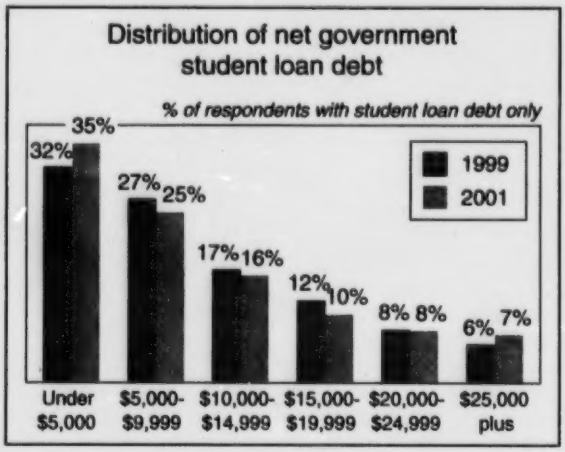
Have government student loan debt levels changed: 1999–2001?

2001 data were compared with data from the 1999 BC College and Institute Student Outcomes Survey

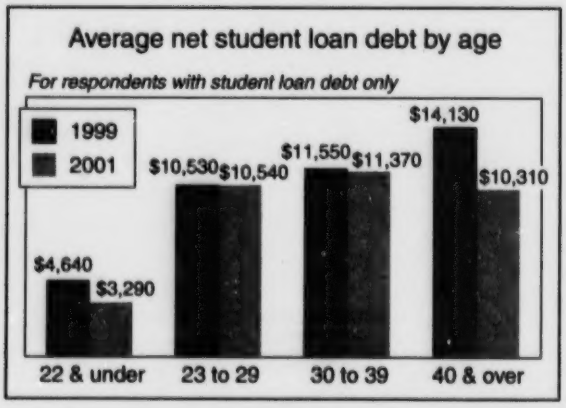
The possible comparisons between 2001 data and the information collected in 1999 are limited because of differences in the survey questionnaires. This section looks at some comparisons of student loan debt amounts only. Based on the data that were used for the student loan debt analysis presented in the special report on finances from the 1999 survey,[7] a subgroup of the 2001 survey respondents was selected for comparison—those who had student loans only, not those with a combination of loan and grant. BC loan remission was deducted from the full loan amount to match the net loan amount used in 1999. And, since data for Adult Basic Education former students was not collected in 2001, respondents who took ABE were removed from the 1999 cases.

Average student loan debt was similar

For former students who had government student loans only, the average debt, less remission, was $9,970 in 1999; in 2001, it was $9,650.[8] The distributions of student loan debt for the two periods were very similar.



Females, older students, and parents had more debt in both years



In 1999, females with student loan debt owed an average of $10,460, while males owed less at $9,410, compared with 2001 amounts of $10,200 and $9,160, respectively. Average debt increased with age for both years,

[7] *How College, University College, and Institute Students Finance Their Education: Special Report on Student Finances from the 1999 BC College and Institute Student Outcomes Survey* is available at http://outcomes.ceiss.org/Publications/.

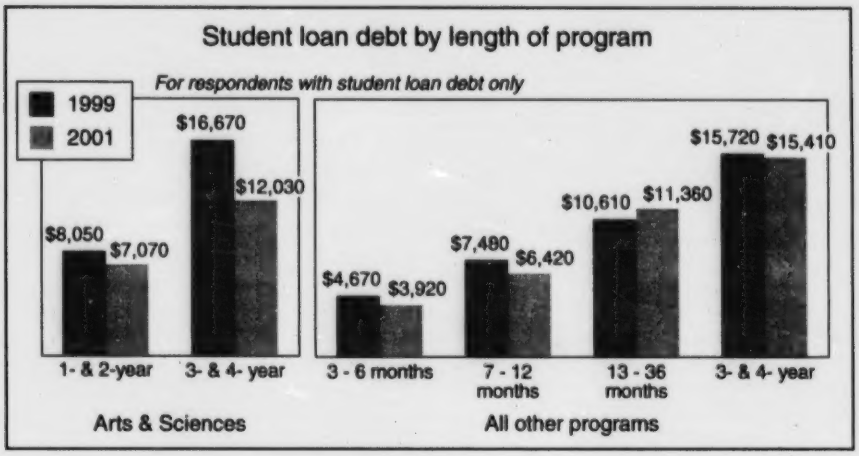
[8] Average or mean amounts are reported in this section.

although the differences were less pronounced in 2001, and the amounts were somewhat less.

Program length had major impacts on debt

In both 1999 and 2001, student loan debt increased as program length increased. For former students with government loans who were in Arts and Sciences programs, the average 1999 debt ranged from $8,050 for 1- and 2-year programs to $16,670 for 3- and 4-year programs. The amounts for 2001 were lower, but still showed a significant increase.

For programs other than Arts and Sciences, student loan debt levels increased steadily from the shortest to the longest programs in both 1999 and 2001.



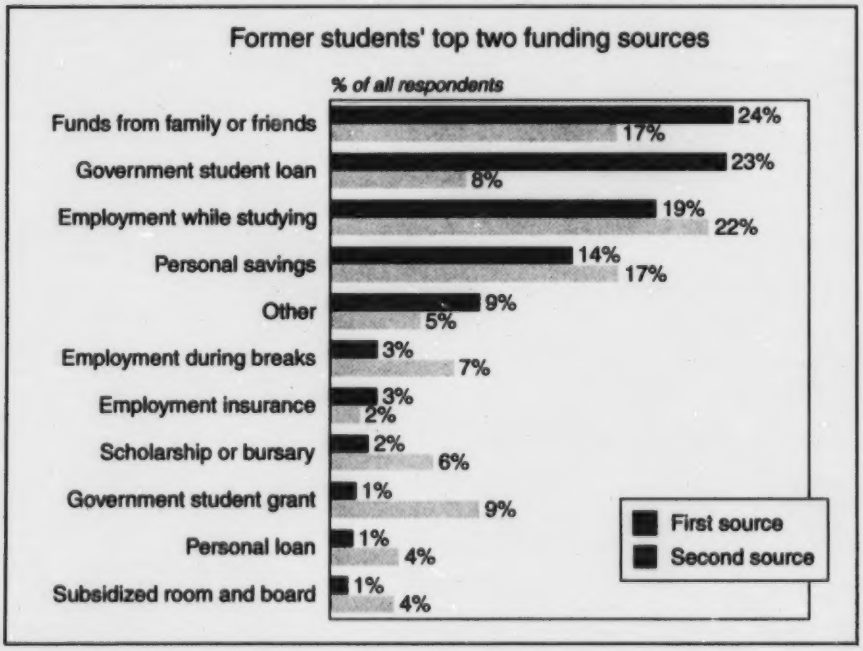
Financial Support

What were the major sources of financial support for former students?

Family and friends were former students' top source of education funding

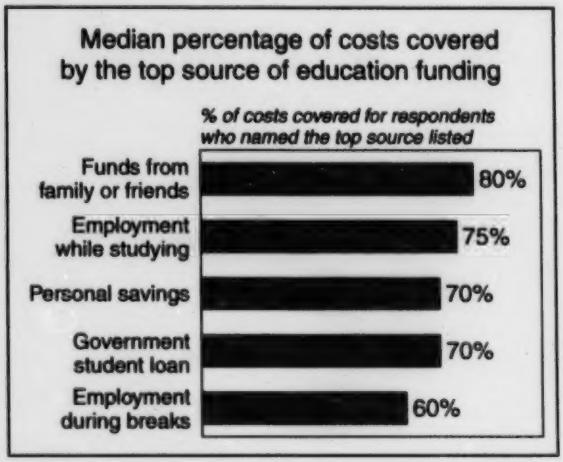
When asked to report the top two sources of funding for their education, 24 percent of former students named direct financial support from family and friends as their primary source. Another 23 percent said that government student loans were their top source of funds. Sizeable percentages of respondents also cited employment while studying and personal savings. Employment during breaks was mentioned by 3 percent of respondents.

The secondary sources of funding reported most often were employment while studying—named by 22 percent of respondents—followed by personal savings, non-repayable financial support from family and friends, and government grants.



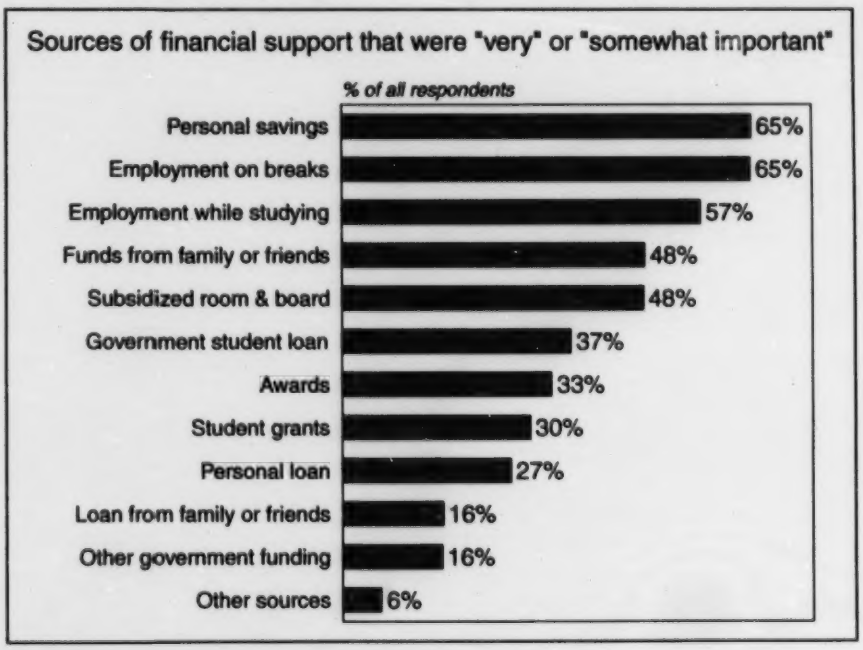
Respondents' primary sources of funding covered 70 percent of education costs

Former students were asked to estimate the percentage of their education costs that was covered by their top source of funding. On average, their primary source covered 70 percent of their education costs.[9] Respondents who said that non-repayable financial support from family or friends was their top source stated that it accounted for 80 percent of their expenses. For those that reported a government student loan as their primary source, it covered 70 percent of their costs.



Personal savings and employment were important sources of financial support

In addition to the questions on their top sources of funding, former students surveyed were asked to report all the sources of financial support that were important to them during the course of their studies. A majority of 65 percent reported that personal savings were either "very" or "somewhat important"; 65 percent also said that employment earnings during breaks were "very" or "somewhat important."



[9] The amount reported here is the median percentage of costs covered.

Important sources of funding were similar in 1999

A similar funding question was asked of former students in the 1999 BC College and Institute Student Outcomes Survey, and the responses were almost identical. The funding source cited most often by 1999 respondents as "very" or "somewhat important" was employment on breaks (67 percent); it was followed closely by personal savings at 66 percent. The next four reported sources, in order, were employment while studying (55 percent), family financial support (52 percent), subsidized room and board (51 percent), and government loans and grants (35 percent).[10]

Younger former students had more family support and fewer government loans while studying

Former students who were 22 and younger at the time of the survey were the most likely to report that non-repayable financial support from family or friends was their top source of funding: 37 percent, compared with 18 percent for all other age groups. As well, a majority of younger former students (64 percent) said that direct financial support from family or friends was a "somewhat" or "very important" source of education funding. Only 42 percent of respondents 23 and older said funds from family or friends was an important source.

These younger respondents were less likely to report having had a government student loan: 21 percent, versus 36 percent of students in all other age groups.

Former students who reported less family support had more loans

A government student loan was the top source of funding for 43 percent of single parents—compared with 22 percent of all other respondents. Only 3 percent of single parents said that non-repayable financial support from family or friends was their top source of funding, compared with 25 percent of other students.

Former students who were on income assistance before attending their program showed a similar pattern with their top sources of funding: 42 percent reported a government student loan, compared with 21 percent of all other respondents. While only 7 percent of respondents formerly on income assistance said that non-repayable support from friends or family was their primary source, 26 percent of all other respondents reported the same.

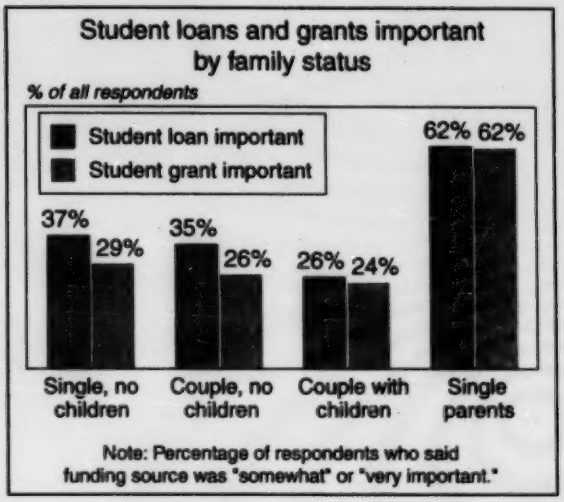
Government support was more likely to be a top source of funding for single parents

Single parents were more likely than all other former students surveyed to report that a government student loan was a top source of funding for their education. In fact, 58 percent of single parent respondents said that a student loan was one of their top two sources of financial support, compared with 29 percent of other respondents. Furthermore, 40 percent said that a government grant was one of

[10] To compare findings on funding sources, former Adult Basic Education (ABE) students were removed from the 1999 data—they were not surveyed in 2001. In 1999, questions about government student loans and grants were not asked separately.

their top two sources of support—only 8 percent of other respondents said the same.

Single parents were also more likely to say that student loans and grants were "somewhat" or "very important" sources of financial support for their studies.



Half of the former students surveyed were employed while they studied

Former students who said employment while studying was their top source of income reported that it covered 75 percent of their costs. Fifty percent of respondents worked during their studies, and of those, 69 percent worked over 15 hours per week.

Former students who said family support—direct financial support, loans, or subsidized room and board—was one of their top sources of education funding were less likely to be employed while they studied: 46 percent, compared with 54 percent of other respondents.

Employed older students worked more hours per week

Younger former students were not less likely to be employed, but they did tend to work fewer hours per week than did older respondents. Those 22 and younger worked an average of 19.7 hours per week; former students 23 and older worked 23.3 hours. Employed respondents 40 and older worked 27.2 hours per week.

Employment while studying may have had an impact on academic achievement

Working while studying does mean less debt for former students (see page 15), but there may be a cost when it comes to their academic achievement. The mean cumulative GPA for former students who were employed during their program was 3.02; the GPA for students who did not work was 3.13. The number of hours worked per week also affected GPA. Those who worked 15 hours or less had a mean GPA of 3.05, while those who worked more than 15 hours had a GPA of 3.00.

M121

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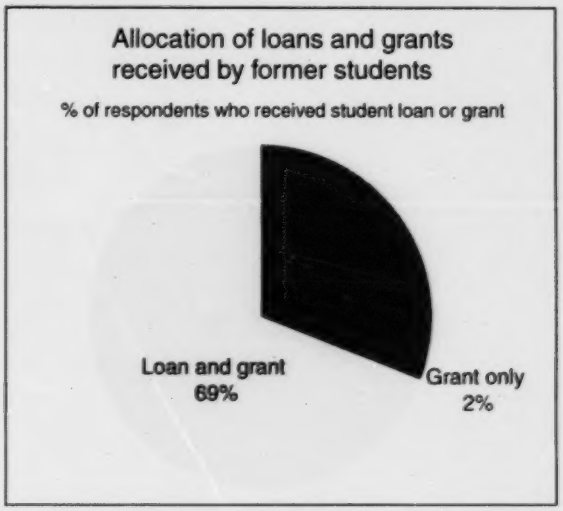
Former students whose main objective for enrolling in their program of study was academic—that is, to complete a credential, prepare to transfer to another post-secondary institution, or qualify to enter another program—were somewhat more likely to say they had achieved their main goal for enrolling if they had not been employed during their studies: 87 percent of those who did not work achieved their goal, compared with 84 percent of those who worked.

The majority of those who received government support got a student loan and a grant

Overall, 35 percent of respondents applied for some type of government student financial assistance. Of those who applied, 85 percent received a student loan and 61 percent received a grant. Of those who received a loan or grant, a majority (69 percent) received both.

Of the 30 percent of former students surveyed in 1999 who reported receiving a loan or grant, 60 percent received a loan and grant, 39 percent got a loan only, and 2 percent, a grant only.


Allocation of loans and grants received by former students
% of respondents who received student loan or grant
Loan and grant 69%
Grant only 2%

Few respondents reported government grants as a top source of funding

While a considerable number of former students reported government student loans as their top source of funding, relatively few mentioned government grants—only 1 percent said it was their top source, although 9 percent of respondents cited it as a second source. However, 30 percent of those who reported a government student loan as their top source said a government grant was their second source. Those for whom a grant was the second source said it covered 30 percent of their education costs.

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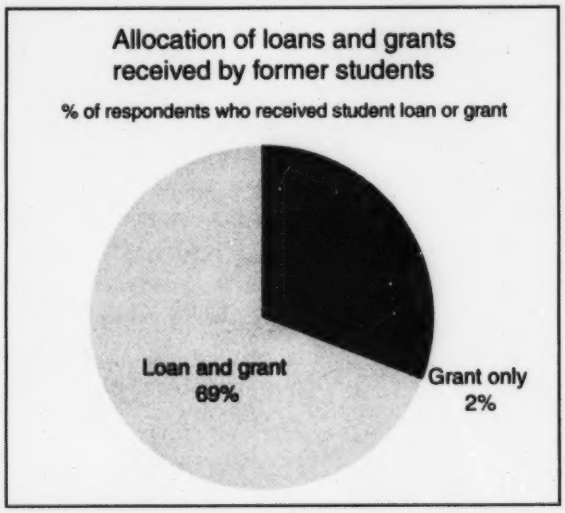
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Did financial difficulties have an impact on enrolment patterns?

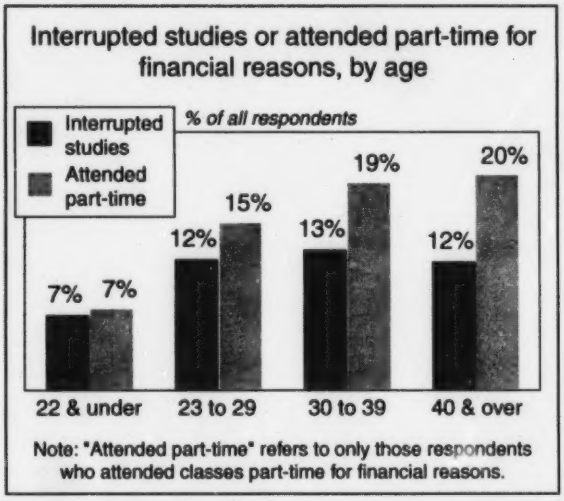
A minority of former students experienced enrolment disruptions for financial reasons

Financial constraints caused a minority of former students to interrupt their studies or attend classes part-time. Eleven percent of respondents had to interrupt their studies and 15 percent of respondents said that they attended part-time for financial reasons.[11] Altogether, 19 percent of former students surveyed reported an enrolment disruption—part-time attendance or an interruption—for financial reasons.

It should be noted that since only those former students who have completed or nearly completed their college programs are included in the survey, there is no information available on former students who left early as a result of financial difficulties.

Younger students faced fewer disruptions

Younger former students were much less likely to interrupt their studies or attend part-time than were older students. Only 7 percent of those 22 or younger had to interrupt their studies; 7 percent attended part-time for financial reasons. Overall, 11 percent of respondents in this age group experienced some disruption due to finances. For former students 23 and older, the comparable figure is 22 percent.



Parents were the most likely to experience disruptions

Parents experienced more disruptions than former students without children. Overall, 24 percent of parents faced enrolment disruptions for financial reasons, compared with 18 percent of other respondents. The rate of enrolment disruptions for single parents was greater than that of all other respondents. Seventeen percent of single parents had to interrupt their studies, and 22 percent attended part-time because of their financial situations.

[11] These were not the only part-time students who were surveyed—these were the ones whose decision to attend part-time was made for financial reasons.

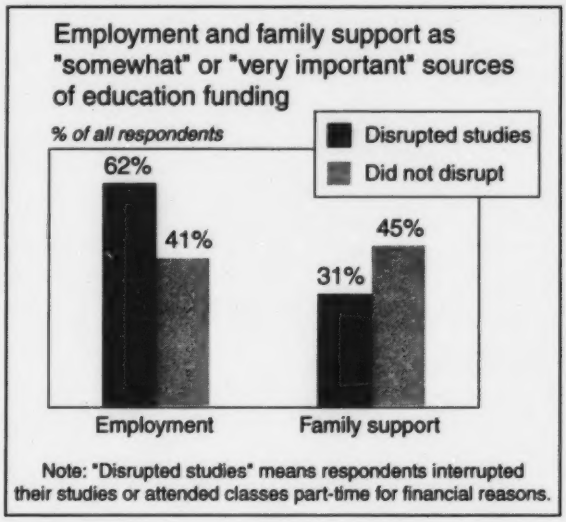
Respondents who experienced disruptions relied less on family support

Former students whose enrolment was disrupted for financial reasons were less likely to receive support from family and friends. Close to half (45 percent) of respondents who did not experience disruptions reported family support—direct financial support from family or friends, loans from family, subsidized room and board—as one of their top two sources of education funding. Only 31 percent of those whose studies were disrupted claimed family support was a top source.

Employment was a top source of income for these respondents

On the other hand, former students who experienced disruptions were much more likely to have been employed while they studied and to have reported employment income as one of their top two sources of education funding. Half (50 percent) of all survey respondents were employed during their program of study; 74 percent of respondents who attended part-time for financial reasons were employed, and 62 percent of those who interrupted their studies because of finances worked.

Overall, 62 percent of former students whose studies were disrupted said that employment—while studying and during breaks—was one of their top two sources of education funding. Only 41 percent of other respondents said the same.

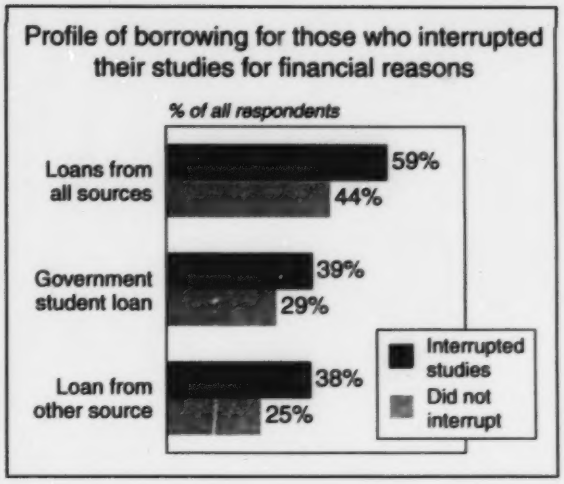

Employment and family support as "somewhat" or "very important" sources of education funding
% of all respondents
Disrupted studies
Did not disrupt
62%
41%
31%
45%
Employment
Family support
Note: "Disrupted studies" means respondents interrupted their studies or attended classes part-time for financial reasons.

Former students who experienced disruptions were more likely to borrow

In spite of higher employment rates while studying, respondents who experienced disruptions were more likely to borrow to finance their education. Over half (51 percent) of these former students took out loans—government student loans, non-governmental loans, or both—to fund their studies, compared with 44 percent of respondents whose studies were not disrupted.

Respondents who interrupted their studies had a higher rate of borrowing

Former students who interrupted their studies for financial reasons seemed to have a greater need for borrowed financing than respondents who attended part-time for financial reasons. Those who had to interrupt their studies borrowed at significantly higher rates than did all other respondents.



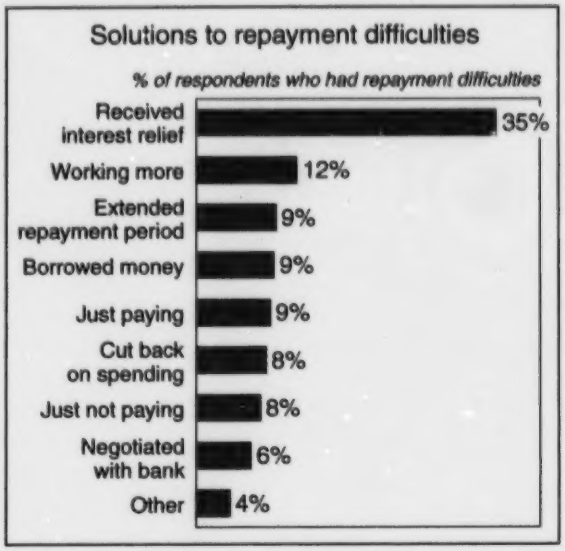
Respondents who experienced disruptions were more likely to use credit cards

Compared with other respondents, there were some notable differences in the sources of non-governmental loans chosen by former students who experienced disruptions—attended part-time or interrupted their studies—for financial reasons. They were less likely to have loans from family and friends (37 versus 49 percent) and much more likely to borrow on their credit cards (46 versus 32 percent).

Why do some former students have difficulty repaying their loans?

The majority of former students have begun repaying their student loans

At the time of the survey, 61 percent of former students who received a government student loan had begun repaying it. Of those respondents, 29 percent said they had experienced difficulty making their loan payments. A number of efforts were made by these former students to solve their repayment difficulties; the most-often cited was to get interest relief.[12]



Unemployed respondents are more likely to experience difficulty

Not surprisingly, former students who were unemployed when surveyed were more likely to experience difficulty repaying their student loans. Of respondents who had begun making loan payments, 7 percent were unemployed. Almost half (49 percent) of these unemployed respondents were having difficulty making their loan payments. On the other hand, only 27 percent of former students who were employed full time reported having a problem with repayments.

The median gross monthly salary for employed former students who reported difficulties was $2,330. This was significantly less than the salary of students who did not experience repayment problems, which was $2,600 per month.[13]

A number of factors contribute to repayment difficulties

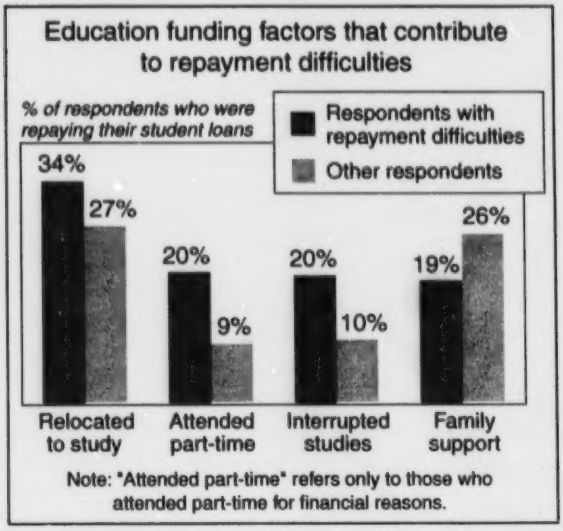
Former students who were having repayment difficulties did have significantly higher student loans: a median of $9,000, compared with $7,000 for other respondents who have started repayments.

There are a number of factors that may have contributed to these higher debt loads and subsequent repayment problems. For example, while respondents with repay-

[12] Percentages and medians presented in the discussion of student loan repayment are calculated for respondents who have begun repaying their loans: 61 percent (n=1,673) of those who had government student loans.

[13] The salaries reported in this section are for the respondents' main job, if they had more than one.

ment difficulties were attending their program of study, they were more likely to have relocated, enrolled part-time, or interrupted their studies for financial reasons and less likely to have had family support.[14]



Older respondents and single parents had more difficulties

Younger respondents who had started making loan payments were less likely to report having difficulties than older respondents. Less than 23 percent of those 22 or younger reported repayment problems. Single parents had the highest rate of reported difficulties: 40 percent.

Enrolment in further education did not seem to have an impact on repayment difficulties.

Loan remission did not eliminate repayment difficulties

About 16 percent of those who were repaying their loans received BC student loan remission. This rate was the same for those who were experiencing repayment difficulties as for those who were not. However, the remission amounts received differed. Respondents who had problems with loan payments received, on average, higher remission. The median amount was $4,450, versus $3,500 for those who did not report repayment difficulties.[15]

Helpful information on loan repayment was lacking

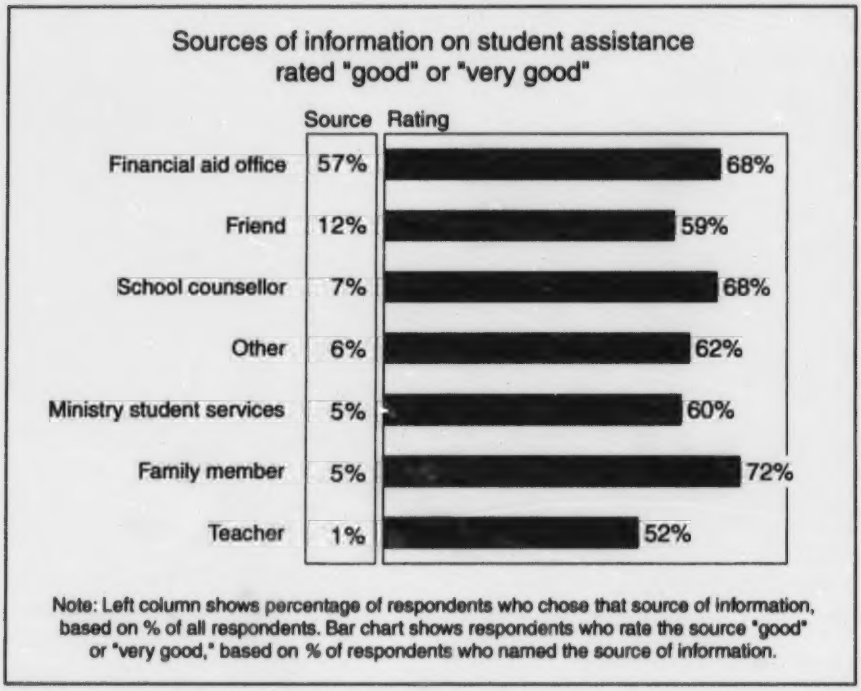
Overall, less than half (46 percent) of the former students who applied for student financial assistance believed that they had received helpful information about the repayment or debt management of their government student loan. Only 39 percent of respondents who experienced difficulties with loan payments felt they had received this kind of material. On the positive side, 55 percent of respondents who received student loan remission said they got helpful information.

[14] Family support means one of the following was selected as a top source of education funding: direct financial support from family or friends, loans from family or friends, or subsidized room and board.

[15] BC loan remission amounts are related to the amount of total eligible loans a student has.

Information on student financial assistance was good

Over half (57 percent) of the former students who applied for student financial assistance received loan information primarily from their institution's financial aid office. The majority of those respondents (68 percent) said the information they received was "good" or "very good." Other primary sources of student loan information included friends, school counsellors, Ministry student services, and family members. Most sources got high ratings for the quality of information provided.



Note: Left column shows percentage of respondents who chose that source of information, based on % of all respondents. Bar chart shows respondents who rate the source "good" or "very good," based on % of respondents who named the source of information.

Many former students wanted more information on loans and repayment

Former students surveyed were asked to say how the BC financial assistance program could be improved. Many responses focussed on the quality or quantity of information available on getting and repaying student loans. Out of 2,069 responses, 202 said they thought more information on getting student loans and grants should have been available.

> *I think it would be good to have better communication regarding grants because students have to apply for them themselves. It would be good to have more information about them so you could know to apply to them, because otherwise you can't receive them.*

> *I think it would be good if there was greater guidance on the difference between provincial and federal student loans and more information on student financial assistance so students could explore their options.*

They should have more services as far as contacting people and making them aware of what is available to them. The information on the admission forms is too vague. There needs to be more comprehensive information to let students know what is actually available to them.

A further 342 respondents specifically requested more or better information to help with repaying their loans and managing their debt.

There should be an interview about the impact of the loan on people's lives so they would realize at the beginning what they would owe afterwards. There should be more information about repayment and debt management.

There needs to be more clarification about the repayment of student loans. It would be nice if students could have assistance from people with financial skills in order to answer questions and figure out loan procedures.

There should be more information on the debt load and what income you need to repay your loan and how to budget for it because the weight of the debt does not hit you until after you graduate. There should be an ongoing quote of how much you will have to pay per month after you leave school. This could be a reality check each time you increase your loan.

Respondents made as many complaints as suggestions for improvement

While many of the former students who were asked did make specific suggestions for improvement of the financial assistance program, many more used the opportunity to complain about the lack of appropriate information and difficulties with financial aid staff and to say they should have received more loans or more grants.

When you phone for information about your student loans you have trouble getting through. When I did get through I was treated very rudely. I would like to see the grant portions increased. There are too many people coming out of school deeply in debt because of their student loans.

The whole thing could be more user friendly and flexible. There needs to be more and better information from lenders on the repayment scenario. The staff at the student loan office must learn to answer their phones and to return telephone calls.

I think that the program could be greatly improved if the application process was simplified. The people that work in the financial department are not very helpful.

I think the student financial assistance program in BC could be improved by providing more money to the students.

While negative comments were more prevalent than positive, and most former students wanted to see changes made to the financial assistance program, there were a number of respondents who had good things to say about the program and the process of getting and repaying a loan.

I don't think it can be improved. It is pretty good.

I think it was manageable for me because the repayment schedule was quite manageable.

The information from the student financial assistance program was easy to access and very understandable.

The … staffing was just awesome and they gave me tons of information.

It worked out OK for me; I received everything I applied for.

Conclusion

Report objectives

This special report on student finances presented the findings from an analysis of data from the 2001 BC College and Institute Student Outcomes Survey, which included questions on student debt, education funding, and related topics. Under the direction of the BC Outcomes Working Group (OWG), the report has offered a detailed look at student indebtedness and sources of financial support for college, university college, and institute students.

Affordable post-secondary education

Providing access to affordable post-secondary education has been a long-standing goal of the British Columbia government. The affordability of that education is affected by a number of factors, such as the cost of living, tuition fees and other education costs, parental support for students, and the availability of alternative sources of funding, including employment, student loans, other loans, and grants. One way to measure affordability is to look at accumulated student debt.[16]

Accummulated debt of former college, university college, or institute students

Less than half—45 percent—of the 9,252 former students surveyed in 2001 said that they had borrowed from any source to finance their college, university college, or institute programs. Overall, 14 percent of respondents had debt amounts of more than $10,000. Of those former students with debt, two-thirds owed $10,000 or less.

Some groups of former students left their programs with more debt than others. In particular, respondents who had children, those who had been on income assistance prior to studying, and those who moved from their home communities to study all had higher levels of debt. They depended more on government student loans and government assistance to finance their studies than did other respondents, and they were less likely to have support from family and friends.

There is no question that family support played a crucial role in mitigating debt. Younger students and those who said that subsidized room and board or funds from family or friends had been a major source of education funding had debt amounts that were significantly lower than average. Former students who had no debt were more likely than those with debt to say that family support had been a major source of funding.

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[16] See the *Ministry of Advanced Education, Training and Technology Performance Report 2000/2001* at http://www.aved.gov.bc.ca/annualreports/performancereport00-01.pdf

Employment while studying reduced the potential debt load for many former students, although it was necessary to work more than 15 hours a week to make a difference. Employment was even more important for respondents without debt—over 50 percent said it was a top source of education funding, compared with 39 percent of those with debt.

The largest portion of debt was made up of government student loans. Thirty percent of respondents had received a student loan, and at the time of the survey, the majority of them had begun making repayments. Although many respondents expressed concern about the amount of the loan they had to repay—29 percent of those who started repaying actually said they were having difficulty making their payments—just as many made the comment that they should have been able to borrow more.

Comparison with university graduates

A recent survey of former BC university students from baccalaureate programs (including law) provided some comparable data on student finances. Comparisons should be made cautiously, however, since 1) the university survey targeted only graduates, while the college and institute survey included those who had completed a significant portion of their programs, and 2) most colleges and institutes offer programs of shorter duration than the typical four-year university programs.

University graduates were more likely to rely on government student loans: 42 percent of graduates surveyed in 2000 said they had a student loan, compared with 30 percent of the respondents to the College and Institute Survey. (See Appendix D for an excerpt on student finances from the *2000 BC University Baccalaureate Graduate Survey Report of Findings: The Class of 1998 Two Years After Graduation.*)

Median student loan debt is considerably higher for university graduates than for former college and institute students overall; however, if debt for respondents from longer college & institute programs is used for comparisons, the amounts are closer. Respondents from 3- and 4-year college programs had a median student loan debt of $15,000, compared with $16,000 for university graduates.

Next steps

It is likely that the affordability of post-secondary education will remain a hotly debated issue for some time to come. As tuition fees rise in British Columbia, it will be important to continue collecting financial information from former students, not only to monitor the effect of increased fees but to add to our understanding of the long-term impacts of the costs of education.

There are a number of areas related to student indebtedness and financial support that deserve further exploration in future surveys. For example:

- To achieve an accurate picture of accumulated debt, former students should be asked about any debt they may have incurred from any previous post-secondary experience.
- To determine what costs are driving student debt, the survey should include specific questions about actual expenses: living costs, tuition fees, and other education costs.
- To discover how effective employment is at offsetting student debt, former students should be asked specific questions about employment hours and earnings, as well as questions to explore the availability of suitable employment. Evaluating the hidden costs of employment may be more difficult. Can students who work more than a few hours a week achieve their full academic potential?

Exploring the broader impacts of the cost of education is outside the scope of the current BC College and Institute Student Outcomes Survey, but perhaps an additional survey could target early leavers to investage the issue. Survey questions could include: Do students drop out of college for financial reasons? Are potential graduates leaving post-secondary education for fear of accumulating a large debt?

Appendix A

About the Student Outcomes Survey Project

The BC College and Institute Student Outcomes Survey Project collects and disseminates information about former students' post-secondary experiences and their subsequent labour market and further education experiences. The Student Outcomes Survey is administered annually to a number of former students of public colleges, university colleges, and institutes in British Columbia. The findings are used to help students make educational choices, to evaluate the success of the college and institute system in achieving its mandate, and to provide a solid basis for educational planning.

This report is based on the Student Outcomes Survey conducted in the spring of 2001. Former students were contacted by telephone 9–20 months after completing all, or a significant portion, of their educational program. Input was received from 18,567 former students from 22 public colleges, university colleges, and institutes; this represents 61 percent of the targeted 30,457 former students.

Former students from the following 22 public colleges and institutes participated in the 2001 survey:

British Columbia Institute of Technology (BCIT)
Camosun College (CAM)
Capilano College (CAP)
College of New Caledonia (CNC)
College of the Rockies (COTR)
Douglas College (DGL)
Emily Carr Institute of Art and Design (ECIAD)
Institute of Indigenous Government (IIG)
Justice Institute of BC (JINST)
Kwantlen University College (KWN)
Langara College (LANG)
Malaspina University-College (MAL)
Nicola Valley Institute of Technology (NVIT)
North Island College (NIC)
Northern Lights College (NLC)
Northwest Community College (NWCC)
Okanagan University College (OKN)
Open Learning Agency (OLA)
Selkirk College (SEL)
University College of the Cariboo (CAR)
University College of the Fraser Valley (FVAL)
Vancouver Community College (VCC)

The project is conducted with funding from the Ministry of Advanced Education and British Columbia's public colleges, university colleges, and institutes. The British Columbia Outcomes Working Group (OWG) oversees all aspects of the project, from data collection to the reporting of survey results. The OWG is a partnership between colleges, university colleges, and institutes and system bodies, such as the Ministry of Advanced Education, the Standing Committee on Evaluation and Accountability, and the BC Council on Admissions and Transfer.

Appendix B
Methodology

Cohort

The 22 participating colleges and institutes identified 30,457 former students for participation in the survey. With the exceptions of BCIT and OLA, the survey cohorts provided by the institutions included former students who had either graduated or completed the majority of their program requirements. BCIT and OLA included only former students who completed their credential and graduated.

For most institutions, former students are defined as those who have:

- earned a certificate or diploma; OR
- completed 75% of the credits required for a two year applied program; OR
- completed 100% of the credits required for a one year applied program; OR
- completed at least 24 credits of an applied baccalaureate program; OR
- completed at least 24 credits of an Arts and Sciences program; AND
- not been enrolled in their college or institute program between July 1, 2000 and February 1, 2001.

Former students in the survey cohort were assigned at random to answer questions on either student finances or campus services and facilities. Of the 18,567 respondents to the survey, 9,252 answered the finance questions.

Finances respondents matched other respondents on basic demographics and selected variables for previous education, program enrolment, and labour market and further education outcomes.

Changes in the 2001 survey

- For the first time, the Institute of Indigenous Government was included.
- Former students from Adult Basic Education (ABE) programs were not included.
- The criterion for program completion in applied baccalaureate programs has been reduced to a minimum of 24 credits from the previous criterion of 48 credits. There may be a resulting change in the number of respondents in applied Upper Division (3- and 4-year) programs.

Analysis

CEISS was responsible for cleaning and validating data received from the data collection contractor that conducted the survey. Based on these data—the responses to the survey questionnaire—the necessary variables were derived for this student finances analysis, which was conducted using MS Access and SPSS (Statistical Package for the Social Sciences).

In addition to frequencies, crosstabs, and comparison of means, several tests were used to determine if the observed differences between groups were statistically significant. A statistically significant result is one that cannot reasonably be explained by sampling error. The level of significance for this analysis was set at .05, so that when a result is reported as *significant*, there is a 95 percent probability that the result reflects a real difference and is not due to chance.

Quality

The potential for errors to occur exists at almost every phase of a survey operation. Interviewers may misunderstand instructions, respondents may misinterpret questions or make errors in answering, and information may be recorded or tabulated inaccurately.

Considerable effort has been made by both Malatest and Associates, the data collection company, and the Centre for Education Information Standards and Services (CEISS) to ensure that these errors were minimized. The interviewers were carefully trained on survey procedures and questionnaire content. The questionnaire was pre-tested and adjustments made to solve problems with the question flow and to change areas that were prone to misinterpretation. Once the survey was completed, CEISS applied a comprehensive series of validation procedures to the raw data.

Outliers

As part of the process of deriving variables for analysis, outliers have been removed, that is, not included in the analysis. An outlier is an individual response that lies well outside what is reasonably expected in answer to the question (for example, a loan amount of $999,999).

Limitations

When interpreting the key findings presented in this report, consider the following limitations:

- We don't know who dropped out—or did not enter—for financial reasons, so we don't know the societal impact of high education costs.
- We asked former students to report their debt from only one program. We don't know the total debt they may be carrying. Previous credentials or previous participation in post-secondary education may mean more debt.
- We did not ask former students how long they took to complete their programs, so any analysis referring to program length is based on the designated length (or type) of the program not on actual completion time.
- Students currently studying were not asked if they were incurring more debt—again, the amount of *total* debt is not known.

Percentages and rounding

For consistency and ease of presentation, percentages in the report text and charts have been rounded to whole numbers and may not always add to 100. Unless otherwise noted, each percentage is based on the number of students who responded to the question—those who refused the question, or said "don't know," were not included in the calculation.

The mean and median dollar amounts cited in the report text and charts have been rounded to the nearest $10.

Appendix C

Program and Demographic Tables

Debt by Program Area

Government Student Loan Debt

Program	% with debt	Median	Mean
Agriculture, Natural Resources, and Science Technologies	43%	$10,000	$12,509
Construction and Precision Production	25%	$5,000	$7,364
Transportation	43%	$10,000	$9,092
Engineering, Electrical, and Electronics	37%	$8,200	$10,012
Business and Management	28%	$8,000	$10,106
Arts and Sciences	29%	$8,000	$11,149
Communications	49%	$10,000	$11,427
Visual, Performing, and Fine Arts	38%	$11,000	$14,372
Recreation, Tourism, Hospitality, and Service	32%	$7,000	$8,294
Computer and Information Services	36%	$11,000	$13,145
Education and Library Science	25%	$12,000	$15,475
Legal and Social	24%	$10,000	$13,495
Health Related (see also Nursing)	33%	$10,000	$13,207
Mechanical and Related	28%	$6,000	$7,310
Nursing	33%	$11,000	$14,339
Total	**30%**	**$8,350**	**$11,315**

Note: The median is the middle number of a series arranged in ascending or descending order; the mean is the arthimetic average.

Other or Non-governmental Debt

Program	% with debt	Median	Mean
Agriculture, Natural Resources, and Science Technologies	35%	$4,000	$5,646
Construction and Precision Production	27%	$2,000	$4,008
Transportation	37%	$10,000	$19,409
Engineering, Electrical, and Electronics	28%	$3,000	$5,248
Business and Management	23%	$3,000	$4,701
Arts and Sciences	24%	$2,000	$3,826
Communications	31%	$4,500	$5,077
Visual, Performing, and Fine Arts	31%	$4,000	$5,407
Recreation, Tourism, Hospitality, and Service	29%	$2,250	$4,193
Computer and Information Services	32%	$5,000	$7,027
Education and Library Science	26%	$3,000	$5,045
Legal and Social	27%	$2,500	$3,992
Health Related (see also Nursing)	28%	$4,000	$5,477
Mechanical and Related	29%	$2,000	$3,795
Nursing	29%	$4,000	$6,517
Total	**26%**	**$3,000**	**$4,765**

Note: The median is the middle number of a series arranged in ascending or descending order; the mean is the arthimetic average.

Debt by Program Area

Debt from All Sources

Program	% with debt	Median	Mean
Agriculture, Natural Resources, and Science Technologies	62%	$10,000	$11,889
Construction and Precision Production	42%	$4,700	$6,785
Transportation	60%	$10,500	$18,428
Engineering, Electrical, and Electronics	51%	$7,600	$10,003
Business and Management	41%	$7,000	$9,560
Arts and Sciences	42%	$6,000	$9,753
Communications	60%	$10,000	$11,789
Visual, Performing, and Fine Arts	53%	$9,750	$13,465
Recreation, Tourism, Hospitality, and Service	51%	$6,000	$7,596
Computer and Information Services	53%	$11,000	$13,286
Education and Library Science	40%	$10,000	$13,297
Legal and Social	43%	$6,000	$10,027
Health Related (see also Nursing)	49%	$8,400	$11,985
Mechanical and Related	47%	$5,300	$6,780
Nursing	50%	$8,500	$13,135
Total	**45%**	**$7,000**	**$10,286**

Note: The median is the middle number of a series arranged in ascending or descending order; the mean is the arthimetic average.

Salary by Program Area

Gross Monthly Salary for Main Job

Program	N	Median	Mean
Agriculture, Natural Resources, and Science Technologies	163	$2,600	$2,672
Construction and Precision Production	305	$2,917	$3,107
Transportation	18	$2,114	$2,855
Engineering, Electrical, and Electronics	304	$2,775	$2,728
Business and Management	1,020	$2,500	$2,468
Arts and Sciences	1,422	$1,317	$1,658
Communications	56	$2,410	$2,478
Visual, Performing, and Fine Arts	236	$1,742	$1,832
Recreation, Tourism, Hospitality, and Service	363	$1,800	$1,937
Computer and Information Services	201	$3,333	$3,222
Education and Library Science	332	$2,333	$2,507
Legal and Social	402	$2,417	$2,405
Health Related (see also Nursing)	274	$2,718	$2,808
Mechanical and Related	297	$2,500	$2,640
Nursing	461	$2,782	$2,787
Total	**5,854**	**$2,253**	**$2,340**

Note: Salary amounts reported are for respondents' main job, if they had more than one. Amounts include salaries from full-time workers, as well as salaries from respondents employed part-time, self-employed, or taking further studies.

Appendix C

Program and Demographic Tables

Debt by Program Area

Government Student Loan Debt

Program	% with debt	Median	Mean
Agriculture, Natural Resources, and Science Technologies	43%	$10,000	$12,509
Construction and Precision Production	25%	$5,000	$7,364
Transportation	43%	$10,000	$9,092
Engineering, Electrical, and Electronics	37%	$8,200	$10,012
Business and Management	28%	$8,000	$10,106
Arts and Sciences	29%	$8,000	$11,149
Communications	49%	$10,000	$11,427
Visual, Performing, and Fine Arts	38%	$11,000	$14,372
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Total	30%	$8,350	$11,315

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Nursing	29%	$4,000	$6,517
Total	26%	$3,000	$4,765

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Program	% with debt	Median	Mean
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Note: Salary amounts reported are for respondents' main job, if they had more than one. Amounts include salaries from full-time workers, as well as salaries from respondents employed part-time, self-employed, or taking further studies.

Debt by Group

Government Student Loan Debt

Respondents	% with debt	Median	Mean
Gender			
Female	31%	$9,000	$12,326
Male	32%	$8,000	$10,190
Age			
Age 22 & younger	21%	$5,000	$6,461
Age 23 to 29	42%	$9,000	$11,517
Age 30 to 39	35%	$11,000	$14,271
Age 40 & older	22%	$12,000	$14,416
Family Status			
Single, no children	31%	$8,000	$9,868
Part of a couple, no children	28%	$8,500	$11,228
Part of a couple, with children	20%	$13,000	$14,627
Single parents	51%	$12,000	$17,217
Other Groups			
Aboriginal respondents	29%	$10,000	$11,867
Respondents with disabilities	33%	$10,000	$12,770
Respondents who learned English as their second language	29%	$8,000	$10,146
On income assistance prior to program	53%	$9,000	$12,198
Relocated to study	43%	$10,000	$12,429
Total	**30%**	**$8,350**	**$11,315**

Note: The median is the middle number of a series arranged in ascending or descending order; the mean is the arithmetic average.

Other or Non-governmental Debt

Respondents	% with debt	Median	Mean
Gender			
Female	25%	$3,000	$4,774
Male	29%	$3,000	$4,864
Age			
Age 22 & younger	23%	$2,000	$3,443
Age 23 to 29	32%	$3,000	$4,963
Age 30 to 39	27%	$3,000	$5,048
Age 40 & older	20%	$5,000	$7,072
Family Status			
Single, no children	27%	$2,500	$4,262
Part of a couple, no children	26%	$3,250	$5,064
Part of a couple, with children	22%	$3,600	$6,296
Single parents	24%	$4,000	$5,626
Other Groups			
Aboriginal respondents	22%	$2,000	$3,809
Respondents with disabilities	30%	$3,500	$5,070
Respondents who learned English as their second language	25%	$2,000	$4,836
On income assistance prior to program	30%	$3,000	$4,827
Relocated to study	36%	$4,000	$6,067
Total	**26%**	**$3,000**	**$4,765**

Note: The median is the middle number of a series arranged in ascending or descending order; the mean is the arithmetic average.

Debt by Group

Debt from All Sources

Respondents	% with debt	Median	Mean
Gender			
Female	45%	$7,500	$11,105
Male	48%	$6,500	$9,582
Age			
Age 22 & younger	37%	$4,000	$5,745
Age 23 to 29	57%	$8,000	$11,140
Age 30 to 39	49%	$9,750	$12,891
Age 40 & older	34%	$10,000	$13,188
Family Status			
Single, no children	47%	$6,000	$9,073
Part of a couple, no children	44%	$7,000	$10,238
Part of a couple, with children	35%	$8,000	$12,513
Single parents	60%	$11,150	$16,339
Other Groups			
Aboriginal respondents	43%	$6,500	$9,772
Respondents with disabilities	47%	$9,000	$12,124
Respondents who learned English as their second language	44%	$6,000	$9,418
On income assistance prior to program	64%	$8,400	$12,157
Relocated to study	61%	$9,000	$12,351
Total	**45%**	**$7,000**	**$10,286**

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Appendix D

The following is excerpted from the *2000 BC University Baccalaureate Graduate Survey Report of Findings: The Class of 1998 Two Years After Graduation.* The full report is available at http://www.tupc.bc.ca/student_outcomes/publications/graduate_outcomes/.

Education Financing and Debt

Over the past decade, much attention has been paid to the costs of education and the levels of student indebtedness in Canada. To gain an understanding of the financing and debt issues baccalaureate graduates of BC universities experience, the BC University Baccalaureate Graduate Survey included a number of questions related to education financing and indebtedness.

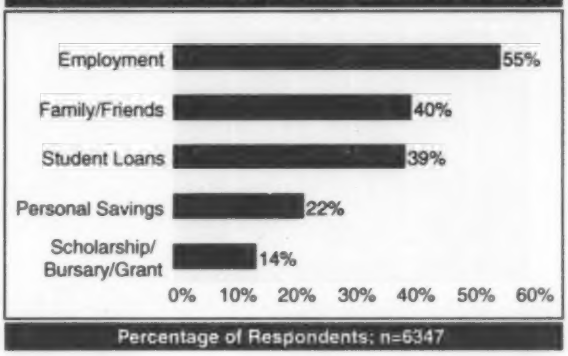
More than 50 percent of 1998 graduates identified employment as one of their top two sources of education funding, reporting that they used employment to cover, on average, over half of their education costs. Many respondents also cited the importance of family and friends in financing their education—when used, that source of funding covered an average of 63 percent of education costs.

Almost one-half of graduates reported incurring some amount of debt to pay for their education, and the largest part of that debt was in the form of government-sponsored student loans. On average, co-op completers had lower amounts of student loans than did non co-op graduates suggesting that, in addition to academic and career advantages, there are some immediate financial benefits to co-operative education.

Top Sources of Education Financing

Graduates were asked to identify the top two sources of funding that helped them pay for the education program they completed in 1998. Figure 5-1 shows the five most common sources of education funding and the percentage of respondents who reported each of them as one of their top two sources.

Figure 5-1: Top Sources of Education Funding



Just over one-half of graduates (55%) named employment earnings as one of their top two sources of funding. Family and friends, and student loans were each identified by about 40 percent of respondents, while less than a quarter identified personal savings and about one-seventh mentioned scholarships, bursaries, and grants.

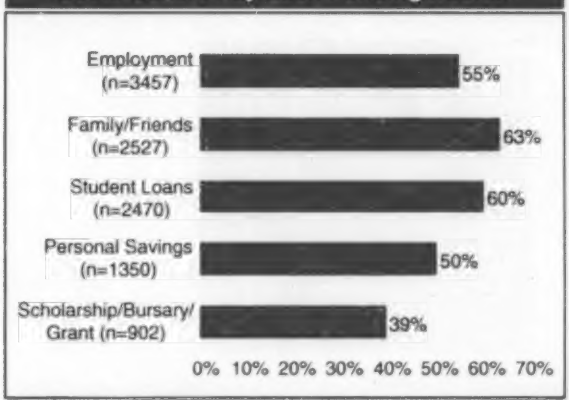
Sources of funding did not differ by gender, but did vary by age. The proportion of respondents who used their own savings tended to increase with age, from 21 percent for 20 to 24 year-olds, to 40 percent for those 55 and over. Family and friends as a source declined with age, from 57 percent for 20 to 24 year-olds, to 14 percent for those 55 and over. The likelihood of using student loans was greatest for those between 30 and 40—over 50 percent, compared to 22 percent for 20 to 24 year-olds and 12 percent for those 55 and over. The youngest age

group, those 20 to 24, was more likely than others to use scholarships, bursaries, and grants (28%, compared to 14% overall).

There were some notable differences in sources of funding used by graduates of different institutions. SFU, UBC, and UVic graduates cited employment as being the most common source, followed by student loans and family and friends; this pattern was similar to the overall patterns shown in Figure 5-1. Graduates from RRU and UNBC, however, were more likely to obtain student loans (74% and 53% respectively) and less likely to report scholarships, bursaries, or grants among their top two sources (0 and 5%, respectively). In addition, UNBC respondents were less likely than others to cite family and friends as a funding source (27%), while RRU respondents were less likely to use employment (23%) but more likely to use personal savings (34%).

Respondents were also asked approximately how much—expressed in percentages—each of their top two sources of funding helped to cover the cost of their education.[9] Figure 5-2 depicts the relative contribution to education costs made by each of the top two sources of funding.

Figure 5-2: Average Percentage of Education Costs Covered by Each Funding Source



For those who reported that employment was one of their top sources of funding, employment earnings contributed, on average, 55 percent toward their education funding. For those who reported family and friends as a source, the average amount contributed was 63 percent, and for graduates who had student loans, the borrowed funds covered 60 percent of education costs.

Debt Incurred to Finance Education

Overall, 47 percent of respondents reported incurring some debt to pay for their educational program. This means that, in spite of the popular concern that all graduates are burdened with heavy debt loads, over one-half of respondents did not incur any debt to pay for their university education.

The likelihood of incurring debt varied somewhat by program (see Figure 5-3). Graduates from Law were most likely to borrow, which may be partially explained by the fact that law programs have relatively high tuition fees, and law students are in school longer and have often completed a baccalaureate before entering law school. In addition, respondents from Law programs were less likely to report employment among their top two sources of funding.

Graduates from Computing Science and Engineering programs were the least likely to incur debt. This may be because they had the greatest participation in co-op programs and were more likely to use employment as a source of funding (57% and 64% respectively). On the other hand, Law and Education graduates were among the most likely to incur debt; 48 and 49 percent respectively cited employment as a source of funding.

Overall, there was a small difference between co-op and non co-op graduates in terms of incurring debt (42% versus 48% respectively). When debt is analysed simultaneously by program and co-op it is evident

9 For 91 percent of respondents, the two percentages they provided added to 100 percent. This suggests that 91 percent of respondents got all of their education funding from their two top sources; however, it is possible that some respondents misunderstood the question and provided a breakdown out of 100 between their top two sources.

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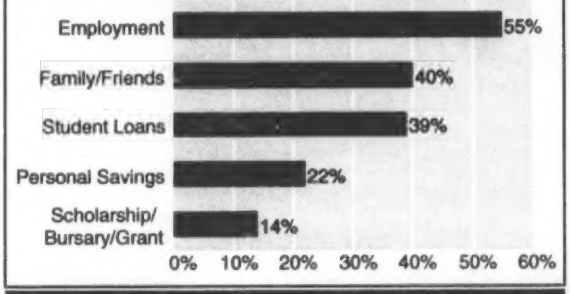

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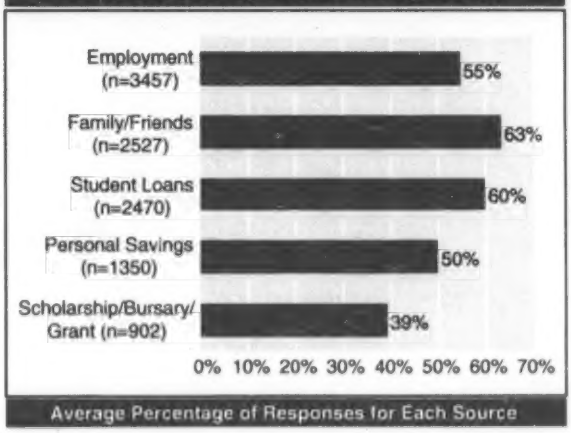

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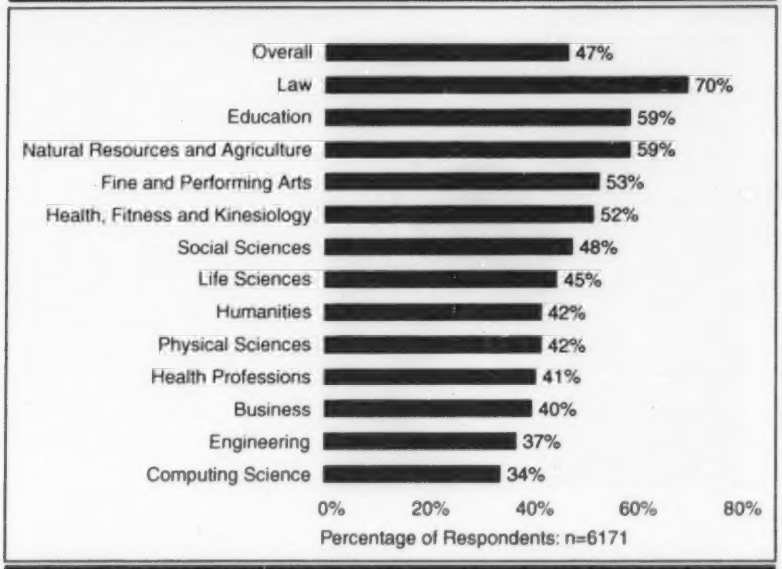
The likelihood of incurring debt varied somewhat by program (see Figure 5-3). Graduates from Law were most likely to borrow, which may be partially explained by the fact that law programs have relatively high tuition fees, and law students are in school longer and have often completed a baccalaureate before entering law school. In addition, respondents from Law programs were less likely to report employment among their top two sources of funding.

Graduates from Computing Science and Engineering programs were the least likely to incur debt. This may be because they had the greatest participation in co-op programs and were more likely to use employment as a source of funding (57% and 64% respectively). On the other hand, Law and Education graduates were among the most likely to incur debt; 48 and 49 percent respectively cited employment as a source of funding.

Overall, there was a small difference between co-op and non co-op graduates in terms of incurring debt (42% versus 48% respectively). When debt is analysed simultaneously by program and co-op it is evident

9 For 91 percent of respondents, the two percentages they provided added to 100 percent. This suggests that 91 percent of respondents got all of their education funding from their two top sources; however, it is possible that some respondents misunderstood the question and provided a breakdown out of 100 between their top two sources.

Figure 5-3: Graduates Who Incurred Debt by Program



Note: Medical and dental graduates are not included in "Health Professions."

that lower average debts among co-op completers were accounted for by graduates from Natural Resources and Agriculture, Social Sciences, Life Sciences, and Physical Sciences co-op programs. Respondents from these programs were more likely to use employment as a source of funding (from 55% to 59%).

Graduates under age 29 and over age 45 were less likely to incur debt than were those between 30 and 44 years of age. Those in the middle age range likely had more financial responsibilities (due to raising families, for example), were less likely to have family support than younger respondents, and had fewer financial resources than older adults. There were no gender differences in terms of acquiring debt.

For the 47 percent who reported incurring debt, the median debt was $16,000 and the average total debt was $18,680. However, there was substantial variation in the amount owed by graduates: while about a third owed $10,000 or less, eleven percent owed over $35,000.

Respondents who had debts over $35,000 were about three times as likely to be between 30 and 49 as were those with debts less than $10,000. Comparing respondents with debt over $35,000 to those with debt under $10,000 by program showed that graduates from Law were slightly more likely to be in the higher category (7% versus 2%) as were those from Fine and Performing Arts (6% versus 3%). Graduates from Business (5% versus 9%) and Life Sciences (5% versus 11%) were more likely to be in the lower debt category.

There were some variations in total median debt incurred by program area (see Figure 5-4). Not only were Law graduates more likely to borrow, they

Figure 5-4: Median Total Debt Incurred by Program

Note: Medical and dental graduates are not included in "Health Professions."

tended to borrow more; Law graduates had the highest median debt load. Computing Science respondents were the least likely to borrow, and those that did, tended to borrow less.

Student Loan Debt

About 42 percent of all graduates surveyed reported having a government-sponsored student loan. Of those, the median student loan debt was $16,000 and the average student loan debt was $17,130. About 80 percent of total debt was student loan debt. A third of respondents with student loans owed $10,000 or less, while about 13 percent reported owing $30,000 or more.

Of those who had student loan debt, Law graduates reported the highest median debt, while Education graduates reported the lowest ($21,000 versus $14,750, respectively). Respondents between the ages of 45 and 49 owed the most, with an average student loan debt of $22,700, and a median debt of $23,000. The youngest graduates, aged 20 to 24, owed the least, with a mean student loan debt of $13,300 and a median of $13,000.

Respondents with a student loan who reported taking longer to complete their degree than anticipated owed $1,000 more, on average, than those who finished on schedule. Of respondents with a student loan, co-op completers owed almost $3,000 less than those who did not complete co-ops.

Generally graduates have to start repaying their student loan within six months of leaving school. Respondents were surveyed about two years after graduation, which means they had had at least one and one-half years to make payments on their loans. Of those respondents who reported having a student loan outstanding at the time of the survey, the median amount left to repay was $15,000. About a third owed less than $10,000, while 12 percent still had $30,000 or more to repay.

Figure 5-5 displays the median amount of student loans that respondents borrowed for each program and the median amount they had left to repay at the time of the survey. Including those who had paid off their loans completely, Fine and Performing Arts graduates had the highest amount left to repay, while Health Professions graduates had paid off most of their loans.

The proportion of the loan that had been repaid is not directly related to the size of the loan, although this is probably one factor. Income level is likely another factor. For instance, graduates from Law, Computing Science, Engineering, and Health Professions had the highest incomes (see Chapter 6) and were paying off their loans at a faster rate than were respondents from other program areas.

Figure 5-5: Median Student Loan and Amount Left to Repay

Note: *Student Loan* is the amount borrowed for the program completed and *Amount Left to Repay* is at the time of the survey; 0 amounts to repay are included.

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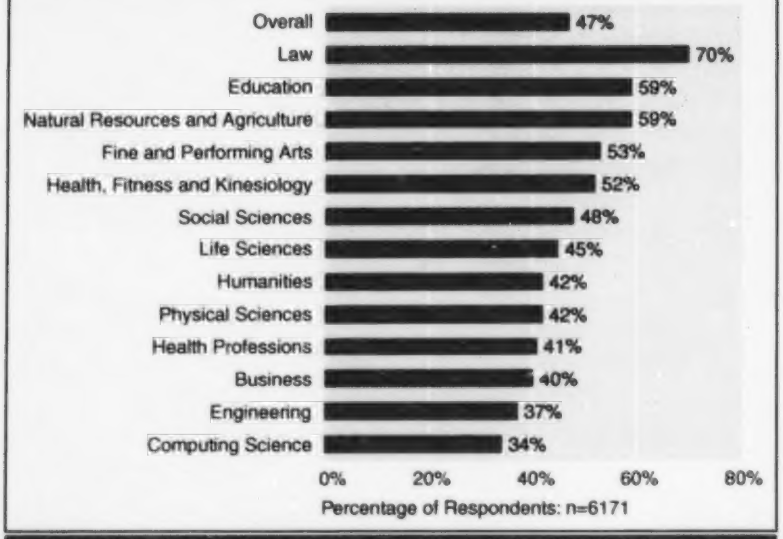

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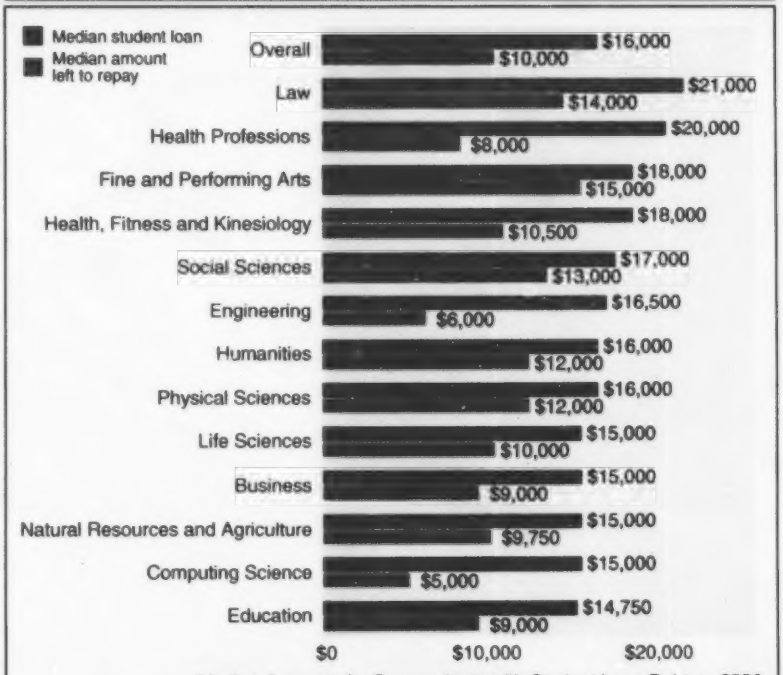

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